REPORT

OF

THE PUBLIC UTILITIES COMMISSION

OF

Prince Edward Island

FOR THE YEAR ENDING
THE 31ST OF MARCH

1981

TO

The Honourable Minister of Justice
for the Province of Prince Edward Island

Sir:

In compliance with the provisions of Section 19 of The Public Utilities Commission Act, R.S. P.E.I. 1974 Chapter P-31, I have the honour to submit the Annual Report of the Public Utilities Commission for the year ending 31st March, 1981.

George J. Ferguson
Secretary

Charlottetown
1 April 1981

REPORT

OF

THE PUBLIC UTILITIES COMMISSION

OF

PRINCE EDWARD ISLAND

For the year ending

the 31st of March

1981

* * * * * * * * *

There were seventy-four formal sitting of the Commission during the period covered by this report, some of them being public hearings of various applications which were made to the Commission.

The number of staff remained the same, and Mr. W.R. Brennan continued to serve as Chairman and Mr. George J. Ferguson as Secretary. Mr. T. Earle Hickey, Commissioner, served until 27 January 1981, at which time he was replaced by Mr. Clair E. Sudsbury.

DIVISION OF SUBJECT MATTER

For the purpose of maintaining uniformity in our Reports, as well as providing easy comparison with information contained in earlier reports, the subject matter herein contained will be dealt with under the following headings:

I. Matters pertaining to Electric Power
II. Matters pertaining to Telephone Service
III. Matters pertaining to the administration of Motor Carriers
IV. Matters pertaining to the administration of The Petroleum Products Act
V. Building Moving Permits
VI. Matters pertaining to the administration of The Water and Sewerage Act
VII. Conclusion.

I.
MATTERS PERTAINING TO ELECTRIC POWER
A. MARITIME ELECTRIC COMPANY, LIMITED
Rebuild and Extension Program

The following applications for Maritime Electric Company, Limited relative to single and three phase rebuilds and extensions were approved by the Commission during the period covered by this report.

CONSTRUCTION	AREA	DISTANCE	
Extension — 1 Ph.	48 Road (Peripoli)	380	m
Extension — 1 Ph.	Culloden Road (Jerace)	2.08	km
Extension — 1 Ph.	Georgetown Royalty (Balderson)	147	m
Extension — 1 Ph.	Kilmuir Road (Holman)	622	m
Extension — 1 Ph.	Rosebank Road (Hansen)	245	m
Rebuild — 1 Ph.	Margate Road	2.2	m
Extension — 1 Ph.	West Royalty (Greenleaf Const.)	141	m
Rebuild — 3 Ph.	Covehead-Stanhope Roads	2	miles
Rebuild — 3 Ph.	T.C.H. (Clyde River)	100	m
Rebuild — 3 Ph.	North River - Wiltshire Rd.	4.8	km
Rebuild — 3 Ph.	Kensington-Freetown Roads	8.0	km
Rebuild — 3 Ph.	O'Leary-West Cape Road	13.7	km
Rebuild — 3 Ph.	Souris Bridge-Souris Rds.	3.2	km
Rebuild — 3 Ph.	Cavendish-Stanley Bridge Rd.	7.2	km
Rebuild — 1 Ph.	Lower Montague Road	8.0	km
Rebuild — 3 Ph.	Factory Road (O'Leary)	540	m
Rebuild — 1 Ph.	Augustine Cove	9	km
Extension — 1 Ph.	Melville Road (Flat River)	580	m
Extension — 1 Ph.	West River (Route 9)	200	m
Extension — 1 Ph.	Lynwood Road (Clyde River)	250	m
Extension — 3 Ph.	MacLean's Subdivision (Brudenell)	113	m
Extension — 1 Ph.	Hughes-Thompson Subdiv. (Glenfinnan)	295	m

Extension — 1 Ph.	Elmsdale-Alma Road	3	km	
Extension — 1 Ph.	Kentyre Road (Winsloe)	240	m	
Extension — 1 Ph.	Skipper Drive (Cornwall)	80	m	(NGO)
Extension — 1 Ph.	Moreshead Road (West Devon)	80	m	
Extension — 1 Ph.	Fountain & Granville Roads	171	m	
Extension — 1 Ph.	Rooney Subdivision, Mill River	294	m	
Extension — 1 Ph.	Lantz Subdivision, Kinlock	82	m	
Extension — 1 Ph.	Un-named Road, Lower Montague	280	m	
Rebuild — 1 Ph.	Edward Street, Charlottetown	126	m	
Extension — 1 Ph.	Gould Subdivision, Desable	60	m	
Extension — 1 Ph.	Gallant Subdivision (Rusticoville)	190	m	
Extension — 1 Ph.	South Melville Road	51	m	
Extension — 1 Ph.	Murphy Subdivision, Seaview (Carver - verbal app.)	33	m	
Rebuild — 3 Ph.	St. Peters Road (3 Poles)	880	m	
Rebuild — 3 Ph.	Rennie's Road (7 Poles)	294.7	m	
Extension — 1 Ph.	B.&D. Enterprises Subdiv. Corran Ban)	518	m	
Rebuild — 1 Ph.	Selkirk Road	3	km	
Extension — 1 Ph.	Public Road (Poplar Point)	602	m	
Extension — 1 Ph.	Public Road (East Bideford)	537	m	
Extension — 1 Ph.	Selkirk Road (Orwell)	135	m	
Extension — 1 Ph.	Public Road (Millview)	415	m	
Extension — 1 Ph.	Ralph Cobb Subdivision, New London	90	m	
Extension — 1 Ph.	Deagle Subdivision, Souris W.	235	m	
Extension — 1 Ph.	Public Road, Ellerslie Area	163	m	
Extension — 1 Ph.	Public Road, Village of Tignish	185	m	
Extension — 1 Ph.	MacInnis Subdivision, Cable Head	130	m	
Extension — 3 Ph.	Route 11, Maximville	7.6	km	
Extension — 3 Ph.	Jude's Point Road, A. Tignish	1.14	km	
Extension — 1 Ph.	Forest Hill Road (Route 328)	107	m	
Extension — 1 Ph.	Coughlin Subd., Carleton	58	m	
Extension — 3 Ph.	Walthen Drive, Ch'town	475	m	
Extension — 1 Ph.	Yorkdale Estates S.D., York	185	m	
Extension — 1 Ph.	Public Road (Montague)	109	m	
Extension — 1 Ph.	Inkerman Road (Route 231)	749	m	
Extension — 1 Ph.	Gay Road, Alexandra	152	m	
Extension — 1 Ph.	Freeman Simmons Subdivision, Schurman's Point	292	m	
Extension — 1 Ph.	Factory & "Side" Roads	110	m	
Extension — 1 Ph.	College Street, Alberton	138	m	
Extension — 1 Ph.	Buntain Road (Rustico)	732	m	
Extension — 1 Ph.	North Cape Road (Route 161)	1.047	km	
Extension — 1 Ph.	Bartlet Road, O'Leary	1.28	km	
Extension — 1 Ph.	Little Tignish Road & O'Connor Subdiv.	4.33	m	
Extension — 1 Ph.	Oriel Holdings Ltd. S/D York Lane, Ch'Town	142	m	
Extension — 1 Ph.	Milton Road (Route 248)	207	m	
Extension — 1 Ph.	Sturgeon Road (Montague)	192	m	
Extension — 1 Ph.	Timber Lane (North Rustico)	358	m	
Relocation — Var.	Charlottetown Area (Re: P.E.I. Energy Corp.)	330	m	

Extension — 1 Ph.	Strathcona Road (Route 312)	413	m
Extension — 1 Ph.	Centre Road (St. Ann's)	873	m
Extension — 1 Ph.	Loyalist Road (Primrose)	231	m
Extension — 1 Ph.	McKenna Road (Skinners Pond)	92	m
Extension — 1 Ph.	Keppoch Road	270	m
Extension — 1 Ph.	Langley Road (Keppoch)	115	m
Extension — 1 Ph.	Todd Road (Hampton)	436	m
Extension — 1 Ph.	Baltic Road (Clyde River)	349	m
Extension — 1 Ph.	Parkview Dev. S/D, Stanhope	93	m
Rebuild — 3 Ph.	Englewood School, Crapaud	1,168	m
Extension — 1 Ph.	Lower Montague North Road	87	m
Extension — 1 Ph.	Toombs Subdivision, Chelton	114	m
Extension — 3 Ph.	Souris Area Industrial Park	544	m
Extension — 1 Ph.	Hopedale Road (Route 13)	977	m
Extension — 1 Ph.	McRae S/D, South Kildare	226	m
Extension — 1 Ph.	Riverside Dr., Murray River	382	m
Extension — 3 Ph.	Atlantic Wind Test Site at North Cape	658	m
Extension — 3 Ph.	Walker Drive, Parkdale	125	m
Extension — 1 Ph.	Taylor Subdivision, Travellers Rest	64	m
Extension — 3 Ph.	Reserve St., Charlottetown	47	m
Extension — 1 Ph.	Brother's Road	970	m
Extension — 1 Ph.	Aitken Subdivision (Fortune)	105	m
Extension — 1 Ph.	Potter Subdivision (Millcove)	123	m
Extension — 1 Ph.	Maitland Road (Route 204)	444	m
Extension — 1 Ph.	Launching & Public Roads	1,434	m
Extension — 1 Ph.	Mill River Road	160	m
Extension — 1 Ph.	Norwood Road (Sherwood)	216	m
Extension — 1 Ph.	Murray Road (Wood Island)	210	m
Extension — 1 Ph.	Public Road (Cardigan)	50	m
Extension — 1 Ph.	Crooked Creek Road (#251)	300	m
Extension — 1 Ph.	Public Road (Mont Carmel)	175	m
Extension — 1 Ph.	Portage Road (Tracadie Cross)	763	m
Rebuild — 2 Ph.	St. Peters Road (Sherwood)	880	m
	(10 Poles instead of 3)		
Extension — 1 Ph.	Burt Hayman Subdivision (Northport)	766	m
Rebuild — 3 Ph.	Malpeque Road (Hunter River)	139	m
Rebuild — 1 Ph.	Tignish Village	245	m
Extension — 1 Ph.	Lot 14 Road (Route 125)	212	m
Extension — 1 Ph.	Route 234 (Burlington)	300	m
Extension — 1 Ph.	Wood Island Road (Route 315)	652	m
Extension — 1 Ph.	Public Road (Afton Road)	145	m
Extension — 1 Ph.	Wortman Subdivision (Brackley)	75	m
Extension — 1 Ph.	Middleton Road (Route 110)	60	m
Extension — 1 Ph.	MacEwan Subdivision (St. Peter's Lake, Morell)	393	m
Extension — 1 Ph.	Coulson Subdivision (Seaview)	158	m
Extension — 1 Ph.	Lantern Hill Subdivision North Rustico (Joint Use — ITCL)	600	m
Rebuild — 3 Ph.	Grafton St. E. (Ch'Town) (4 Poles)	102	m
Extension — 1 Ph.	Route 11 (Mt. Pleasant)	1,785	m
Extension — 1 Ph.	MacDougall Subdivision, Bideford	44	m

Extension — 1 Ph.	Lloyd Inman Subdivision, Augustine Cove	119	m
Extension — 1 Ph.	Public Road off Rt. # 1A (Pownal)	402	m
Extension — 1 Ph.	Sunset Beach Subdivi., Chelton	305	m
Extension — 1 Ph.	Margate (Route #6)	117	m
Extension — 1 Ph.	Lidstone Subdivision (West Point)	227	m
Extension — 1 Ph.	Public Road (Birch Hill)	435	m
Extension — 1 Ph.	A. MacIntyre Subdivision, Donaldston	122	m
Extension — 1 Ph.	Bouquet Point Subdivision, Chelton	111	m
Extension — 1 Ph.	Blues Road, Little Sands	213	m
Extension — 1 Ph.	Harper Road, Route 158	65	m
Extension — 1 Ph.	P. MacAskill Subdivision, Brackley	146	m
Extension — 1 Ph.	Haliburton Road, Route 144	1.9	km
Extension — 1 Ph.	Junction Road (Route 227)	288	m
Extension — 1 Ph.	East Street, Georgetown	97	m
Extension — 1 Ph.	Public Road, Cavendish	306	m
Extension — 1 Ph.	Public Road, Riverdale	388	m
Extension — 1 Ph.	New Zealand and Side Roads	60	m
Extension — 1 Ph.	Southview Estates Subdivision	175	m
Extension — 3 Ph.	Bannockburn Road, Clyde River	70	m
Rebuild — 1 Ph.	Beach Grove Road	1.5	km
Rebuild — 3 Ph.	Colville Road	3	km

138 KV Transmission Line — Bedeque-West Royalty

The Commission was informed by Maritime Electric Company, Limited by letter dated 1 May 1980 that the new 138 KV transmission line between Bedeque and West Royalty was successfully commissioned on 20 April 1980, ten days earlier than the projected "in-service" date.

Sherbrooke Substation

On 8 May 1980, the Commission approved an application from Maritime Electric Company, Limited relative to replacing the existing wood pole structure at its Sherbrooke Substation with a steel lattite type structure at an estimated cost of $250,000.

Crossroads Substation

On 6 August 1980, the Commission approved an application of Maritime Electric Company, limited for permission to install a mobile power transformer at their Crossroads Substation at an estimated cost of $5,800.

Dingwells Mills Substation

An application from Maritime Electric Company, Limited dated 27 February 1981 was considered by the Commission and approved on 25 March 1981 for the construction of a new substation at Dingwells Mills in Lot 56, Kings County, at an estimated cost of $75,000.

Central Circuit — Charlottetown

On 11 March 1981, the Commission approved an application by Maritime Electric Company, Limited for permission to rebuild its central circuit in Charlottetown at an estimated cost of $75,000. This would necessitate the installation of new underground high voltage cable from the steam plant to Richmond Street, together with the rebuilding of the circuit from the Richmond Street terminal pole to the intersection of Kent and Prince Streets.

Preferred Shares

On 18 June 1980, the Commission approved an application of Maritime Electric Company, Limited for the creation of a new class of 6% Non-Cummulative Non-Voting Redeemable Preferred Shares in the capital stock of the Company without par value, unlimited as to number and consideration, and of the issue of the same as stock dividends in lieu of cash.

Rate Revision

Public hearings were held on 21, 22 and 23 May 1980 relative to an application by Maritime Electric Company, Limited for an order confirming its earnings base, approving a composite rate of depreciation to be deducted annually from the cost of the Utility's physical assets, approving an amended schedule of rates, tolls and charges, including an amended fuel clause and cost of commodity clause, and approving certain amendments to the Utility's rules and regulations. Following the hearing, written arguments were filed and studied together with the evidence and exhibits arising from the hearings. The Commission handed down its Decision relative to the application on 26 January 1981, and on 25 February 1981 gave final consideration to a Schedule of Rates to be effective 1 March 1981. The Commission's decision, together with the approved Schedule of Rates and Regulations follow:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the Public Utilities Commission Act and the Electric Power and Telephone Act

- and -

IN THE MATTER of an application by MARITIME ELECTRIC COMPANY, LIMITED for confirmation of its earnings base, an amendment to its fuel clause, an amendment to its rate of depreciation, a revision in the rates charged its customers, and amendments in its rules and regulations applicable thereto.

DECISION

Maritime Electric Company, Limited, a body corporate and a public utility within the meaning of the Electric Power and Telephone Act, (hereinafter referred to as the Applicant), has applied to the Commission, by petition dated 24 April 1980 for an Order:

1. Confirming its earnings base as at 31 December 1979 at $40,146,932.;
2. Approving a composite rate of depreciation to be deducted annually from the cost of its physical assets;
3. Approving an amended schedule of rates, tolls and charges, including amendments to its fuel clause and to its rules and regulations; and
4. Approving a transitional period between the date of the petition at which time the cost of commodity adjustment was + 14% and the end of the month in which the proposed rates become effective.

After due notice in the local press, the Commission conducted the public hearing of the application on the 21st, 22nd and 23rd of May 1980 at Charlottetown.

APPEARANCES

For the Applicant:	Counsel: William G. Lea John H. Reynolds D. K. McKenney D.H. Stevenson A.E. O'Reilly R.W. Smith
For C. M. McLean Limited:	Counsel: John A. McQuaid
For the Prince Edward Island Energy Corporation:	C. Kirk Brown
For the Utilities Action Committee:	Arthur Reddin Keir Duggan
Customers:	Edward W. Lawlor J. Thomas Mowry
For the Commission:	Counsel: John A. O'Keefe Advisor: C. W. Hayward

C. M. McLean Limited, in lieu of participating in the full public hearing of this matter, was permitted to file written argument with the Commission.

At the commencement of the hearing, comments were given by Mr. Brown and Mr. Reddin to the effect that the current procedure followed by the Commission with respect to the time allotted between the advertisement of the hearing and the date of commencement was insufficient to permit a comprehensive study of the application and preparation of a thoughtful intervention. The Commission notes that neither party requested the adjournment of the hearing for further preparation, and is of the opinion that in the absence of further evidence in this regard, the present method of advertising is within reason.

It should also be noted that the Public Notice given is in accordance with Statutory requirements.

EARNINGS BASE

The Earnings Base of the Applicant is comprised of utility plant in service, less accumulated depreciation, less contributions, less deferred income taxes, plus an allowance for working capital. Detail evidence with respect to the fixed assets and the depreciation reserve proposed to be included in the Earnings Base, as well as the calculation of working capital was presented by Mr. McKenney, the Applicant's Secretary-Treasurer. As the proposed Earnings Base is based on the Applicant's latest audited figures and is calculated in accordance with the method used to obtain the most recently approved Earnings Base, that being the amount of $37,342,025.97 for the year 1977, the Commission will confirm, subject to its verification by an independent valuation to be conducted by a firm appointed by the Commission, the Applicant's Earnings Base as at 31 December 1979 at $40,146,932.

DEPRECIATION

The Applicant's accumulated depreciation and annual rates of depreciation are calculated using the average life procedure. The application herein requests that the Commission approve a new composite rate of depreciation of 3.50% to be deducted annually from the cost of the Applicant's physical assets.

A depreciation study prepared for the Applicant by Montreal Engineering Company, Limited was presented for the consideration of the Commission by Mr. O'Reilly. This study is based on the accounting concept of allocating the depreciable cost of an asset over its service life on a straight line basis, and provides an estimate of the accrued depreciation for the assets shown on the Applicant's books as of 31 December 1977 as well as an estimate of the annual rates of depreciation that should be applied in the determination of the Applicant's annual provision for depreciation. The estimates presented by Mr. O'Reilly are based on the age, current estimates of probable service life characteristics and the net salvage of the various types of property included in the plant accounts. Having given due consideration to the evidence adduced on this matter, the Commission has concluded that a new composite rate of depreciation to be deducted annually from the cost of the Applicant's physical assets should be established at 3.50%, with the exception that an adjustment be made for excess depreciation in the amount of $792,115 which was previously charged by the Applicant.

The applicant has also proposed a reduction of 0.25% in the depreciation rate to be used in its accounts in order to amortize the excess depreciation of $792,115 in about five years. The Commission will accordingly order that the depreciation rate be reduced by 0.25% until the excess depreciation of $792,115 has been amortized. The Commission directs the Applicant to provide in its annual reports a statement showing the present status of the excess depreciation included in the accumulated depreciation account.

FUEL CLAUSE

The Applicant has proposed for the consideration of the Commission that the Fuel Clause adjustment be rolled into the basic rates. This proposal reflects a re-basing of the existing Fuel Clause so that only new charges in fuel cost will show in the fuel adjustment. With the rolling in of the fuel adjustment into the basic rates, it is necessary that provision be made for the recovery of the deferred fuel account, which represents two months in excess of the base fuel price. The Applicant has proposed that the deferred fuel account be recovered over thirty six months.

Written argument against this proposal was submitted by C. M. McLean Limited, who contended, in effect, that the rolling in of the Fuel Clause does not give consideration to the possibility that the cost of fuel, including purchased energy, may decrease, and that showing the cost of fuel and purchased energy separately on bills assists in making customers aware of the significant effect of rising fuel and purchased electricity prices on electric power rates.

The Commission notes that although it is unlikely that such costs will decrease, in the event of a reduction in the cost of fuel and purchased energy below that contained in the basic rates, the Fuel Clause would be adjusted in such a manner in order to reflect such a change. In addition, the Commission believes that customers will continue to be reminded of the significant effect of the cost of fuel and purchased energy on electric power bills by the continued operation of the Fuel Clause. The Commission is therefore of the opinion that it is appropriate at this time to re-base the Fuel Clause in the manner set forth in the application. We will accordingly order that the fuel adjustment in effect at 1 March 1981 be rolled into the basic rates, and will further order that the unrecovered balance of the deferred fuel account be recovered in equal amounts over sixty months in order to reflect approximately the period over which the excess depreciation of $792,115 will be amortized in the Applicant's accounts.

The applicant testified during the hearing that the fuel adjustment calculations could result in an over or under recovery due to the two months lag in recovery. Schedule 8 of Exhibit No. 8 of Mr. O'reilly's testimony indicates that an excess of recovery over cost of $64,868 had occurred in 1979. It would be preferable if the fuel adjustment was recorded and accounted for in such a manner so that no over or under recovery would result. This objective could be achieved by having any balance left under or over recovered from the third month preceding the billing included in the balance of the fuel adjustment account from the second preceding month. The fuel adjustment clause would then be:

$$\frac{\text{Balance of fuel costs from third preceding month (positive or negative)} + \text{Excess fuel costs of second preceding month} + \text{1/60 of deferred fuel account}}{\text{kWh of second preceding month}}$$

The Commission directs the Applicant to adjust its fuel adjustment charge procedures accordingly and to provide the Commission with a Standard Fuel Clause reflecting this practice.

In addition, the Commission directs the Applicant to apply by 1 June each year for an annual re-basing of its Fuel Clause adjustment.

COST OF COMMODITY CLAUSE

The Applicant has proposed for the consideration of the Commission that the existing Cost of Commodity adjustment be rolled into the basic rates. Having considered the evidence adduced on this matter, the Commission is of the opinion that it is appropriate at this time to reflect the present Cost of Commodity adjustment on customers bills as a permanent component of the basic rates. The Commission notes that should costs associated with the operation of this clause decrease below basic rates, they will be passed onto the Applicant's customers in the form of a negative Cost of Commodity adjustment. The Commission will therefore order that the Cost of Commodity adjustment in effect at 1 March 1981 be rolled into the basic rates. The Commission will further order the approval of the transitional period proposed by the Applicant as Paragraph 4 of its Prayer.

In Addition, the Commission directs the Applicant to apply by 1 June of each year for an annual re-basing of its Cost of Commodity adjustment.

RATES, TOLLS AND CHARGES

Changes in Energy Blocks

The Applicant has proposed for the consideration of the Commission the lowering of the present differential between the rates charged for energy consumption for the first 200 kWh per month (1st block) and the rates charged for energy consumption over 200 kWh per month (2nd block). At present, 2nd block energy rates represent approximately 50% — 75% of the 1st block energy rates. The application herein proposes the establishment of new energy rates where the 2nd block would represent approximately 84% of the 1st block.

Counsel for the Applicant, at page 12 of the written argument in support of the application states:

> "a. that it is no longer appropriate for a block rate to have such a large difference between the first and second blocks which may discourage conservation; instead a first step towards encouraging conservation is to lower the first block and to raise the second block but to do so in such a way that there will be no significant change in revenues; and
>
> b. that the rate should more closely reflect cost of service than they now do."

The Commission recognizes the concern of the interveners respecting the plight of customers of the Applicant who have little or no choice as to the quantity of energy they consume. The Commission also recognizes that many of the Applicant's customers may be energy conscious, and are presently using electric energy as efficiently as possible. The Commission, however, believes that in addition to bringing existing rates closer in line with their actual cost of service, the Applicant's proposal will serve as an incentive for electric energy consumption for the majority of the Applicant's large electric energy users. We will accordingly approve of the Applicant's proposal to partially eliminate the present differential between the 1st and 2nd energy blocks in accordance with the application. In an effort to monitor the possible effect this change has on energy consumption, we direct the Applicant to regularly inform the Commission as to energy consumption patterns that occur as a possible result in this change in energy blocks.

All-Electric Residential Rates

At present, qualifying all-electric residential customers of the Applicant receive a discount from applicable residential rates. When originally established, this represented a discount of 10% below rates for residential customers. The Applicant has proposed herein the elimination of this preferential rate, and has argued that at present, residential customers receiving this rate are only paying between 84% and 87% of their actual cost of service, and that in order to meet its revenue requirements, customers in other classes of service are paying more than their fair share of costs.

Mr. Lawlor, an all-electric residential customer of the Applicant, contended that in view of the long-term financial committments he made in order to qualify for this rate, it was, in effect, unfair to eliminate the existing differential. Mr. Lawlor further contended that the Applicant had promoted the use of electric energy for space heating purposes, with the understanding that a customer meeting the necessary requirements would receive and continue to receive, a preferential rate.

Mr. Smith, the Applicant's President, testified that the Utility was involved with the residential all-electric customer to the extent that it approved of the construction and insulation of the residence. At no time did the Applicant embark on a program of encouraging the use of electricity for space heating purposes. The Commission is aware, however, that the use of electric energy for space heating was promoted in Prince Edward Island by the Electric Service League. In addition, evidence adduced at the hearing established to the satisfaction of the Commission, that no contract exists for the supply of electric energy at a preferential rate to an all-electric residential customer. The Commission therefore believes that there is nothing to prevent the Applicant from changing its policy with respect to the all-electric residential customer.

However, the Commission is of the opinion that the complete elimination of the rate differential would impact harshly on customers presently receiving the all-electric residential rate. The Commission is further of the opinion that the cost of replacing existing electric space heating systems with new forms of heating (which would, to an extent, undoubtedly occur with the elimination of the rate differential) would prove prohibitive to many of the Applicant's customers receiving this rate. Consequently, the Commission will order the establishment of a 5% discount (both for service and energy charges) below the applicable City, Town and Rural Residential rate classifications for qualifying customers of the Applicant.

Transformer Discount

The Applicant has proposed for the consideration of the Commission that the discount given to customers who own their onw transformers be changed from a percentage of the total bill (5%) to a specified amount (32¢/kVA of billing demand or 38¢/kW) related to the cost of transformers. The Applicant contended that the present discount was excessive because rates had increased proportionately more than has the capital cost of transformers due to the higher increase in fuel costs. The Applicant further contended that a single discount rate for all types of transformers was preferable based on administrative feasibility and the availability of accurate estimates.

The Commission agrees with the Applicant that a 5% discount provides a benefit to the customer which is in excess of the benefit which he is providing to the Utility by supplying a transformer. The additional cost to these customers will be about $98,000. On the basis that the present discount of $143,000 represents 5% of total billing of $2,860,000 to these customers, the change is equivalent to an increase of 3.4% in the amount presently being charged. Having considered the evidence presented on this matter, including the written arguments of the Applicant and C. M. McLean Limited, the Commission will order that the present discount of 5% on the total bill be changed to a discount of 32¢/kVA of monthly billing demand, or as expressed under the General Service Rate, 38¢ per kW of monthly demand based on a power factor of 0.85.

RULES AND REGULATIONS

In the application herein, the Applicant has applied for approval of an amended schedule of general regulations for electric utilities. Having considered the evidence adduced on this matter, these regulations, as amended by the Commission, will be approved.

ORDER

After due consideration to the evidence adduced at the hearing and written arguments filed with the Commission;

IT IS HEREBY ORDERED:

1. That the Earnings Base of Maritime Electric Company, Limited as at 31 December 1979 be confirmed at $40,146,932, subject to its confirmation in the manner set forth in this Decision;

2. That the composite rate of depreciation for Maritime Electric Company, Limited be approved at 3.50%, subject to the provisions made in this Decision to correct the surplus of $792,115 in the accumulated depreciation account;
3. That Maritime Electric Company, Limited recalculate and resubmit to the Commission its Standard Fuel Clause reflecting the changes ordered in this Decision;
4. That the Schedule of general regulations appended to this Decision as Schedule "A" be approved, effective 1 March 1981; and
5. That the Schedule of rates, tolls and charges proposed by Maritime Electric Company, Limited be recalculated and rewritten to reflect the changes ordered in this Decision, to become effective 1 March 1981.

The Commission directs the Applicant to provide verification of its working capital requirements for the last twelve (12) months.

DATED at CHARLOTTETOWN this 26th day of JANUARY, A.D., 1981.

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

PRINCE EDWARD ISLAND

ELECTRIC UTILITIES

GENERAL REGULATIONS

EFFECTIVE: 1 MARCH 1981

PRINCE EDWARD ISLAND
ELECTRIC UTILITIES
GENERAL REGULATIONS

PAGE NO.

TABLE OF CONTENTS i ii

PURPOSE iii

INTERPRETATION iv

PART 1 — MISCELLANEOUS

1.1 Disputes 1
1.2 General 1
1.3 Access to Meters and Utility Owned Equipment 1
1.4 Fire and Civil Defence Alarms 1
1.5 Motor Starting Equipment 2
1.6 Unauthorized Attachments 2
1.7 Continuity of Service 2
1.8 Metered and Unmetered Wires 3
1.9 Disturbing Equipment 3
1.10 Building Moves 3
1.11 Service Assistance — Customer's Equipment 3

PART II — SERVICES

2.1 Standard Service Classification 4
2.2 Approval of Electrical Installations by the Utility 4
2.3 Requirements for Service .... 5 - 6
2.4 Service Lines .... 6 - 8
2.5 Service Entrance .... 8 - 9
2.6 Security Deposits 9
2.7 Non-negotiable Cheques 9
2.8 Discontinuance of Service at Customer's Request 10
2.9 Discontinuance of Service by Utility 10
2.10 Reconnection of Service .... 11 - 12
2.11 Temporary Service 12
2.12 Short Term Service .... 12 - 13
2.13 Primary Voltage Service 13
2.14 Summer Cottage & Seasonally Occupied Homes — Residential Service .... 13 - 14
2.15 Life of Contract 14
2.16 Off-Rate Service 14
2.17 Designated Peak Hours 14

TABLE OF CONTENTS (continued) Page No.

PART III — BILLING AND METERING

3.1 Information on Bills 15
3.2 Payment of Bills 15
3.3 Budget Billing for Residential All-Electric Customers 15
3.4 Prorating of Minimum Charge 15
3.5 Delayed Payment Penalty 16
3.6 Disputed Meter Accuracy 16
3.7 Utility Seals and Department of Consumer and Corporate Affairs Meter Seals .... 16 - 17
3.8 Residential Multiple Occupancy 17
3.9 Combined Residential & Non-Residential Premises 17
3.10 Apartment Buildings or Buildings Converted to More Than Two Units 18
3.11 Connected Load 18
3.12 Installation Up To 3000 Watts Connected Load (General Service Rate) 19
3.13 Installations Over 3000 Watts Connected Load 19
3.14 Maximum Demand 19
3.15 Estimated Readings for Billing Purposes .. 19
3.16 Power Factor 20
3.17 Paymeter 20
3.18 Customer Generating Facilities 20
3.19 Utility Equipment 20

PRINCE EDWARD ISLAND ELECTRIC UTILITIES

PURPOSE

The Electric Power and Telephone Act provides for the regulation and distribution of electric energy to all areas of Prince Edward Island except within the corporate limits of municipal utilities, unless otherwise proclaimed by the Lieutenant-Governor-in-Council.

As required by the Electric Power and Telephone Act Section 5, the following General Regulations have been approved by the Public Utilities Commission for application (a) by Maritime Electric Compnay, Ltd. within its rate area and (b) by the Town of Summerside Electric Department within its rate area outside the corporate limits of Summerside.

All terms and conditions to supply electric power and energy within the above noted areas shall conform to the Electric Power and Telephone Act as well as directives and special contracts approved by the Public Utilities Commission of Prince Edward Island, in addition to these General Regulations.

These General Regulations have also been approved by the Summerside Town Council for application by the Town of Summerside Electric Department within the corporate limits of Summerside. All terms and conditions to supply electric power and energy within Summerside shall conform to these regulations as well as directives and special contracts approved by the Summerside Town Council.

These General Regulations are designed to provide general information and conditions for electric power service for present and future customers of Prince Edward Island electric utilities.

INTERPRETATION

The terms 'Zone 1' and 'Zone 2' have been used in these regulations to designate the area to which the regulation applies. The definition of these zones is as follows:

Zone 1 — refers to the rural and town rate areas served by Maritime Electric Company, Limited and also the rate area outside the corporate limits of the Town of Summerside served by the Town of Summerside Electric Department.

Zone 2 — refers to the City of Charlottetown rate area served by Maritime Electric Company, Limited and also to the area within the corporate limits of the Town of Summerside served by the Town of Summerside Electric Department.

If no reference to a specific zone is made then the regulation applies to both Zone 1 and 2.

In the term 'authority having jurisdiction' the authority means the Public Utilities Commission of Prince Edward Island in all areas except within the corporate limits of the Town of Summerside where the authority means the Summerside Town Council.

PRINCE EDWARD ISLAND ELECTRIC UTILITIES

GENERAL REGULATIONS

PART 1

MISCELLANEOUS

1.1 Disputes

If any dispute shall arise between the Utility and a customer, either party may refer the matter to the authority having jurisdiction for decision, and that authority may, notwithstanding anything contained in these Regulations, make such orders as it may deem just.

1.2 General

These general regulations and the latest authorized edition of the Canadian Electrical Code, and any amendments or additions thereto made from time to time, shall apply to all electrical installations connected to and supplied from the Utility's power system.

1.3 Access to Meters and Utility Owned Equipment

The representatives of the Utility, together with any necessary equipment, shall have the right of access to meters or other Utility-owned apparatus at all reasonable hours for the purpose of reading, testing, replacing, inspecting or removing the same.

1.4 Fire and Civil Defence Alarms

Fire and Civil Defence Alarms, providing they are installed with separate service entrances, will not be metered. The installation shall be in rigid conduit and all fuse boxes, switches and junction boxes associated with the installation will have provision for sealing.

All expense incurred by the Utility in making connection to or providing electrical service for such alarms will be at the customer's expense.

1.5 Motor Starting Equipment

It shall be necessary to consult the Utility regarding motor starting requirements for each motor installation in excess of 10 horsepower single phase and 25 horsepower three phase.

In general, only motors up to and including 10 horsepower single phase and 25 horsepower three phase may be operated with across-the-line start.

Motors in excess of these ratings may require reduced voltage starting current limiting devices, or unloading apparatus satisfactory to the Utility.

1.6 Unauthorized Attachments

The Utility will not permit the unauthorized attachment to any of its property any flags, banners, signs, clothes lines, wireless antenna, placards or other advertising matter, or the like and may remove any such attachment without notice to the owner.

1.7 Continuity of Service

The Utility cannot guarantee but will endeavour to furnish a reasonably continous supply of electric energy and to maintain voltage and frequency within limits prescribed under CSA Standard C235. The Utility shall not be responsible for damages which a customer may sustain due to unavoidable interruption of electric service.

In every case, the Utility shall make every reasonable effort to restore electric service at the earliest possible moment. Interruptions in service shall not, however relieve the customer from any charge for power and energy supplied and delivered to the customer except as provided in Section 3.4.

1.8 Metered and Unmetered Wires

Unmetered wires will not be permitted in any raceway, pull box or distribution cabinet containing metered wires except by prior permission of the Utility and providing sealing facilities have been provided by the customer for the Utility's seal.

1.9 Disturbing Equipment

If a customer of the Utility installs or connects or is desirous of installing or connecting any service appliance or equipment which in the opinion of the Utility is or may be detrimental to the service being rendered, the matter may be referred to the authority having jurisdiction by either party and that authority may make such order as may appear reasonable and just.

1.10 Building Moves

Building movements requiring the raising or removal of Utility distribution lines and services will only be made on acceptance of written authorization from the authority having jurisdiction.

1.11 Service Assistance — Customer's Equipment

Except by special arrangement between the customer and Utility, Utility employees are not permitted to service, install test equipment, repair or make adjustments to equipment owned by the customer except such alterations in meter loops as may be necessary for metering purposes. The Utility's responsibility for the supply of service terminates at the supply side of the customer's service entrance fitting.

PRINCE EDWARD ISLAND ELECTRIC UTILITIES

GENERAL REGULATIONS

PART II

SERVICES

2.1 Standard Service Classification

Standard Service shall be supplied under the following schedule and will be within the voltage levels prescribed by CSA Standard C235.

(a) **Residential Service:**
120/240 volts single phase

(b) Non-residential Service:
240 volts three phase, 120/208 volts three phase, and 347/600 volts three phase where available and by arrangement with the Utility.

(c) Primary Voltage Service:
Enquiries for Primary Voltage Service as well as for other special requirements must be referred to the Utility.

2.2 Approval of Electrical Installations by the Utility

No person shall proceed with the installation of a single-phase service entrance of more than 200 ampere capacity or with any three phase service entrance, without first filing two copies of electrical plans and specifications showing details of the proposed service entrance, metering location and plot plan of the installation with the Utility and obtaining written approval from the Utility of the proposed service entrance and metering installtion. One copy will be returned to the customer when approved and the other will be retained for the Utility's records.

2.3 Requirements for Service

(a) Electric Service shall be given:

(i) When the customer has provided and maintains at no expense to the Utility, suitable and cleared right-of-way and satisfactory conveyance to the Utility for all necessary easements and right of convenient access for the service line supplying the customer's premises.

(ii) When, as may be required by the Utility, a written application for electrical service has been signed by the prospective customer and accepted by the Utility.

(iii) When the Utility has received a certificate of inspection from the P.E.I. Provincial Electrical Inspection Department. A certificate shall be required for newly constructed buildings, which have been moved, buildings which have been electrically disconnected for a period in excess of two (2) years, fire damaged buildings or when the electrical entrance has been altered or damaged.

(iv) When the customer has provided an acceptable, safe, convenient and readily accessible place for the installation of the necessary metering equipment. A room or building which is locked during normal business hours will not be accepted as an "Accessible Place", nor shall the offer of keys to these locked doors be accepted as fulfilling the condition of accessibility. By special arrangement a key box, approved by the Utility, may be installed which will contain the necessary key to gain access to metering equipment.

(v) When applicable, connection fees, security deposits, or service line contribution charges have been received by the Utility.

(b) A connection fee of ten dollars ($10.00) will be applicable to all new service connections to the Utility's system and for reconnection of an existing service for a new customer or tenant.

(c) No service shall be provided any customer until an adequate and approved service entrance has been established, the Utility has had an opportunity to purchase, install and erect the necessary service facilities, and until the applicant has complied with all applicable provisions of those regulations.

(d) The Utility shall give an estimate only as to when a service connection is to be made or discontinued, and shall not be liable for any loss or damage occasioned by any reasonable variation therefrom.

2.4 Service Lines

(a) **Zone 1 Overhead Service Lines:** The service line shall be constructed, owned and maintained by the Utility. The customer shall pay such contribution towards the service line as may be required by the Utility.

(b) **Zone 2 Overhead Service Lines:** The service line shall be constructed, owned and maintained by the Utility. The customer shall pay such contribution towards the service line that is 10% less than Zone 1 contribution.

(c) **Replacement of Overhead Service Lines:** The cost of replacing overhead service lines will be borne as follows:

(i) When the replacement is necessitated by requirements of the Utility, the total cost shall be borne by the Utility.

(ii) When the replacement is necessitated by alterations to a customer's service entrance, a contribution will be required for the length of secondary service line involved.

(d) **Zone 1 Underground Service Lines**

(i) **Type I** Where the Utility is establishing a storm resistant underground distribution area, the service line shall be constructed, owned and maintained by the Utility. The customer shall pay such contribution towards the cost of the service line as may be required by the Utility.

(ii) **Type II** Where the Utility has an overhead distribution system and the customer wishes an underground service, the service shall be constructed, owned and maintained by the customer. In addition, a "Pole Attachment Agreement" must be executed by the customer and the Utility before service is given.

(e) **Zone 2 Underground Service Lines**

(i) **Type 1** Where the Utility is establishing a storm resistant underground distribution area, the service shall be constructed, owned and maintained by the Utility. The customer shall pay such contribution towards the cost of the service line that is 10% less than Zone 1, Type 1 contribution.

(ii) **Type II** Where the Utility has an overhead distribution system and the customer wishes an underground service, the service shall be constructed, owned and maintained by the customer. In addition, a "Pole Attachment Agreement" must be executed by the customer and the Utility before service is given.

(f) The design of all underground service lines must be approved by the Utility prior to the commencement of construction and the Utility shall have the right to inspect all underground service lines prior to backfilling of the trench.

(g) Padmounted transformers, transclosurers or transfer vaults as arranged with the Utility will be required on individual services larger than 167 kva single phase or 225 kva three phase. Single or multiple overhead services may not be supplied from the same pole mounted transformer(s) if the cumulative capacity requirement of the services exceeds 167 kva single phase or 225 kva three phase.

(h) **Special Requirements Before Underground Service Is Connected To Overhead System.** Before any underground service is connected to the Utility's overhead system, information shall be obtained from the Utility as to the exact pole in the Utility's overhead distribution system to which the underground service entrance conduit may be attached. Attachments of conduits for underground electrical service to Utility poles may be made only after a "Pole Attachment Agreement" has been executed by the customer and the Utility, and such installations must be made under the supervision of the Utility.

The Utility has the right to require, at the customer's expense, changes in the underground installation at, on or near its pole if the attachment pole has to be replaced, relocated or for other conditions which might require replacement, removal or relocation of the facilities of the Utility.

The obtaining of municipal or other public authority permits for all excavations involving sidewalks, roads or streets will be the responsibility of the customer.

2.5 Service Entrance

The point of attachment, the service entrance and metering location must be approved by the Utility. The customer shall provide a safe and adequate anchorage point or structure for the Utility's service facilities. The Utility may refuse to attach its service facilities to any support or any portion of a building of questionable strength.

Service heads shall be located at sufficient height above grade level to provide not less than minimum vertical clearance as specified in CSA Standard C22.3, Canadian Electrical Code, Part III, over roads, streets and driveways, but in no case less than 4.5 m.

On buildings constructed of tile, stucco, concrete, asbestos shingle, plastered metal lath, brick veneer, aluminum or sheet iron, the electrical contractor shall install the necessary devices for attaching the service wires to the building. The attachment devices may be obtained without charge from the Utility at any time during the building's construction.

In commercial buildings, apartments and offices, meters must be grouped and located preferably outdoors or in an area readily accessible during normal working hours. Meters shall be installed at a height of five (5) to six and one-half (6 ½) feet (1,5 to 2 m) above the floor or grade level with sufficient space between meters to permit removal and replacement of meters. They shall not be installed in driveways or service lanes except with the permission of the Utility and provided with mechanical protection.

2.6 Security Deposits

Each applicant for service may be required to deposit with the Utility a sum of money equal to the estimated charges for two months' service. The minimum deposit shall be forty-five dollars ($45.00). This deposit is to be held by the Utility as collateral security for the payment of its bills. When this deposit is held, at the option of the Utility, for a period in excess of one year, simple interest at a rate based on the nearest one half per cent (½%) of the banks' prime lending rate as of the first banking day of each year shall be credited to the account when refunded. The deposit less any amount owned the Utility, shall be returned to the customer after service has been discontinued and upon the surrender of the deposit receipt or other proof that the deposit is owing to the customer.

2.7 Non-negotiable Cheques

A charge of five dollars ($5.00) will be made for each non-negotiable cheque in excess of one which is received on account.

2.8 Discontinuance of Service At Customer's Request

Any customer who wishes to have service discontinued shall give the Utility at least forty-eight (48) hours written notice. Until such notice is effectively given, the customer shall remain responsible for the account.

2.9 Discontinuance of Service by Utility

(a) The Utility will have the right to discontinue service to any customer in the following cases, after not less than forty-eight (48) hours written notice.

    (i) If a customer's bill remains unpaid for more than forty-five (45) days after the date rendered. When the arrears remain unpaid beyond the disconnect date, the total amount owing, including any current bill, shall be payable at that time (Section 2.10 (a) hereunder).

(ii) When a new customer occupies a premises already connected and fails to sign an application for electrical service or make such deposit as is required under these regulations.

(iii) Upon notice from any Federal, Provincial or Municipal body having jurisdiction in respect thereof. (Section 2.10 (e) for Reconnection Charge if disconnected under the Electrical Inspection Act).

(b) The Utility will immediately discontinue service to a customer in the following cases:

(i) When necessary for public safety.

(ii) In any case where to continue the supply of electric energy is considered unsafe.

(iii) When a customer is found to be using unmetered electricity except as authorized under the unmetered rate schedules or the Utility finds such action necessary to protect itself against abuse or fraud. (Section 2.10 (c) — Reconnection of Service).

(c) The Utility may discontinue service to any customer in the following cases, after not less than thirty (30) days written notice:

(i) When access to any Utility equipment is denied or prevented due to stock-piling, presence of livestock, storage materials, locked doors, hazard to safety or threat by animals.

2.10 Reconnection of Service

(a) Where service has been discontinued for non-payment of account, the customer shall pay to the Utility the sum of twenty dollars ($20.00) to defray the cost of disconnection and reconnection during regular working hours. Premises disconnected for non-payment of account and the account on which has subsequently been paid, will normally be reconnected within two (2) working days of having made full settlement of all charges due to the Utility.

(b) Notwithstanding the fact that a customer may require Short Term or Seasonal Service year after year, the customer must give, each year, at least forty-eight (48) hours notice to the Utility and sign an application for service before the premises is reconnected, except for summer cottages (See Section 2.14).

(c) **Special Service Charges**

(i) The Utility at the customer's request and at its own discretion, may provide special service to reconnect a disconnected premises after regular working hours. The customer shall be responsible for the cost of overtime labour and transportation associated with such reconnections in addition to any other applicable charges.

(ii) An existing service, except street and area lighting accounts, will be disconnected and reconnected during regular working hours without charge once each calendar year for the same customer at the same service location, except if disconnected for non-payment of account.

A charge of twenty dollars ($20.00) will be made covering both the disconnection and subsequent reconnection of service in excess of once per calendar year.

(iii) In the cases where the Utility finds it necessary to have a line crew disconnect a customer in order to prevent fraud (e.g. by opening the high voltage cutout or disconnecting service line conductors) reconnection will be made only after the customer has paid the cost of the extra labour and transportation necessitated by the disconnection and reconnection in addition to any other applicable charges. (See Section 3.7).

(iv) When the Utility is required to disconnect a service under the Electrical Inspection Act by reason of the customer neglecting to renew his Temporary Current Permit issued by the Provincial Electrical Inspector, the cost of labour transportation required to disconnect and reconnect the service will be charged to the customer.

2.11 Temporary Service

Temporary Service shall mean the supply of electricity for any purpose such as construction jobs, garden parties, picnics, sporting events, circuses, exhibitions, and the like where the service is terminated after a short period of time but excluding summer cottages and other purposes as noted in Section 2.12 hereunder, for Short Term Service.

Customers requesting this type of service shall pay the Utility for installation and removal of connection devices, equipment and apparatus.

When the service is discontinued, the bill shall be prorated at the regular monthly rate to the nearest half month but shall not be less than one-half the applicable monthly minimum charge.

The Utility may collect a deposit before connecting a temporary service customer. Such deposit shall be a fair estimate of the cost of installing and removing connecting devices, equipment and apparatus as well as estimated cost of electricity to be supplied.

2.12 Short Term Service

Short Term Service shall be available to tourist camps, summer hotels, warehouses, skating and curling rinks, canteens, race tracks, seasonally occupied homes, cottages, schools, halls, and other like recurring loads. Each customer taking Short Term Service shall pay, during the period connected, a minimum bill equivalent to four monthly minimum charges applicable to the area and for the energy consumed.

The Utility shall have the right to collect the Short Term minimum charge in advance of connection.

The Minimum Billing Demand shall be 1.0 KW or 1.0 KVA.

Should a customer requesting Short Term Service have had the same premises previously connected within the same calendar year and have paid to the Utility therefor within the same calendar year the equivalent of four or more monthly minimum charges, such a customer may be considered to have paid the minimum bill described above and shall pay for the subsequent supply of electricity at the regular rate applicable to the area.

2.13 Primary Voltage Service

Electric power and energy may be purchased at the Utility's primary distribution voltage by customers who maximum annual demand is one hundred (100) kva or more and such electrical service will be supplied at the appropriate rate. Instrument transformers, meters and metering devices will be supplied by the Utility in a space location or enclosure suitable to the Utility and provided by the customer. When the customer requests an outdoor primary voltage metering outfit installation, and the Utility supplies the power transformers, such metering installation shall be at the customer's expense less credit for instrument transformers normally supplied by the Utility. Such installations will be located on the property of the customer. All primary electric service installations shall be referred to the Utility for approval prior to installation.

A customer qualifying for primary voltage service who chooses to supply, install and maintain their own power transformer and substation shall be eligible for a discount on the rate applicable to their service as approved by the Public Utilities Commission of P.E.I.

2.14 Summer Cottages and Seasonally Occupied Homes — Residential Service

Summer cottages and seasonally occupied homes with fully accessible outside meters may remain connected year-round provided that the energy used during the period 1 October to 31 May inclusive does not exceed fifty percent (50%) of the total energy used between 1 June and 30 September each year.

Summer customers whose 1 October to 31 May consumption exceed fifty percent (50%) will be billed under the applicable residential service rate for the periods connected. The June billing will include the estimated energy consumption for the month of June in addition to energy used during the winter period as determined by the spring reading. If a summer cottage customer wishes to have service discontinued during winter months, written notice is to be given in the fall of each year for disconnection and in the spring of each year for reconnection. Meters will be read in the spring, midsummer and fall of each year and such cottages will be billed on two estimated readings for June and August with a forth adjustment bill issued for September as determined by the fall meter reading.

2.15 Life of Contract

The Standard Contract will be for a period of one (1) year unless otherwise stated, and shall be self-renewing from month to month thereafter.

2.16 Off-Peak Service

A reduced rate for the Demand Charge shall be available to year-round customers on certain General Service Rates who have a maximum demand of fifty kilowatts (50 kw) or more in the designated months. Their maximum monthly demand shall occur outside of certain designated peak hours and is more than twice as great as the demand occurring within the designated peak hours of the same month.

These designated hours may be subject to modification from time to time as the Public Utilities Commission of Prince Edward Island may approve.

Should a customer fail to meet the off-peak conditions at any time during the designated months, he shall be billed at the on-peak General Service Rate applicable to the area until he again qualifies in a designated two-month period.

2.17 Designated Peak Hours

Designated peak hours shall be as follows:

From 4:00 P.M. to 8:00 P.M. A.S.T. daily during the consecutive months of December and January.

PRINCE EDWARD ISLAND ELECTRIC UTILITIES
GENERAL REGULATIONS

PART III

BILLING AND METERING

3.1 Information on Bills

Bills rendered shall be in such form and shall contain such information as the authority having jurisdiction may prescribe.

3.2 Payment of Bills

Unless otherwise ordered by the authority having jurisdiction bills shall be rendered to each customer at intervals of not longer than two (2) months, and the net amount shall be payable within fifteen (15) days after the date rendered. (See Section 3.5 for Delayed Payment Penalty).

3.3 Budget Billing for Residential All-Electric Customers

Owner-occupied residences served under the Residential All-Electric Rate may, by prior arrangement with the Utility, have "Budget-Billing" applied to the account. Under this plan, the monthly payment for eleven months of the year will be based on an estimate of one-twelfth of their annual power cost. The twelfth month will be an adjustment billing based on the actual consumption of energy for the past twelve month period. Budget-Billing will be commenced in May of any year with the April billing being the twelfth month for adjustment purposes. If any monthly payment is not made within fifteen (15) days, the account shall be deemed to be in arrears.

3.4 Prorating of Minimum Charge

If a change of meter reading routes or sustained power interruption necessitates adjustment of a customer's billing period, the customer's minimum charge will be prorated to the nearest one-quarter (¼) month for billing purposes. There will not be more than twelve (12) service charges billed in any twelve-month period.

If the connect or disconnect dates in relation to the normal reading date result in a billing period of less or more than one month, the customer's bill shall be prorated to the nearest one-half month.

3.5 Delayed Payment Penalty

All bills shall be computed according to the rates fixed by the Public Utilities Commission, and if any bill be not paid within fifteen (15) days, (or thirty days (30) for customers with Special Contracts) after the date on which it is rendered (as indicated by the postmark) or such date as may be clearly shown upon the bill, whichever is the later, a penalty equal to five per cent (5%) of the amount of such bill shall be payable thereon but in no case shall the amount of any penalty be less than twenty-five cents (25¢).

3.6 Disputed Meter Accuracy

A customer may request that his meter be retested by the Electricity & Gas Inspection Service of the Department of Consumer and Corporate Affairs.

The customer shall deposit the amount of the inspection fee levied by the Electricity & Gas Inspection Service with the Inspector, who shall decide whether the meter should be tested "in situ" or at an official testing place.

If the meter is to be removed for test, the customer shall first deposit with the Utility the sum of twenty dollars ($20.00) to help cover the cost of removal of the meter to be checked and its replacement by another meter tested and sealed by the Electricity & Gas Inspection Service.

If the removed meter, upon testing by the Electricity & Gas Inspection Service, shall prove to be within the accuracy limits laid down under the regulations of the Department of Consumer and Corporate Affairs, the Utility shall retain the customer's deposit.

If the removed meter is found to be outside the prescribed accuracy limits, the Utility shall return the deposit to the customer along with the cost of the inspection fee. The rebate of adjustment will be made in accordance with the appropriate act and regulation thereunder of the Department of Consumer & Corporate Affairs, Standard Division.

3.7 Utility Seals and Department of Consumer and Affairs Meter Seals

Under no circumstances are the Utility seals or the meter seals of the Department of Consumer & Corporate Affairs to be tampered with or broken by unauthorized persons.

When a Utility seal has been broken by unauthorized persons in order that an illegal connection can be made, the

Utility shall arrange as soon as possible for a line crew to disconnect the customer by opening the primary cutout or by disconnecting the service line at the pole. (See Section 2.10 (c) for reconnection). If the seal of a meter is broken, or if from any cause the meter does not register correctly, then the probable amount of energy consumed shall be estimated on the basis of the consumption in a corresponding period of the preceding year, or in the preceding period in the current year if the record for the preceding year is not available.

3.8 Residential Multiple Occupancy

In all new construction of apartments or multi-unit residential premises and/or where premises are remodeled or subdivided for multi-unit residential occupancy, each unit shall be provided with a separate meter, and be billed under the Residentail Rate.

Where two household units are being served on an interim basis through an existing meter, a residential service charge shall be made for each household unit with corresponding energy blocks assigned to each service charge. If three or more household units are being supplied through one meter, the Small General Service Rate will apply to the service.

A household unit is defined as a single-family house, each unit of a multiple dwelling, individual apartment, flat and the like, furnished with separate kitchen facilities.

3.9 Combined Residential and Non-Residential Premises

Where a premises served through one meter is being used both for a residence and for a non-residential purpose, the Small General Service Rate shall be applied. Where connected load is the basis for billing, the residence portion shall be counted as 1000 watts.

3.10 Multi-Occupancy Buildings

Multi-occupancy buildings shall have a separate meter for each separate unit as well as a separate meter for "house service". The "house service" shall be provided through one meter at the applicable General Service Rate.

When the building does not exceed four units and the owner is the occupant of one of the units, house services may be provided through the meter to this unit at the rate applicable to the premises. This shall not apply if the connected or demand load of the "house service" exceeds the load of the owner's premises.

On all new or renovated buildings, a "house service" meter socket and service facilities shall be provided in the event the owner vacates the premises.

It shall be the responsibility of the owner to identify each of the facilities served by each meter socket.

3.11 Connected Load

Representatives of the Utility shall have the right to visit a customer's premises during reasonable hours for the purpose of checking the connected load. Connected load will be determined as follows:

(a) The rated capacity of all installed electrical equipment, taken to the nearest one hundred (100) watts, shall be used as a basis for charges except as hereinafter provided.

(b) Empty sockets shall be counted as 60 watts each.

(c) In electrical supply stores, fixtures connected for demonstration purposes only shall not be included in the connected load.

(d) When a customer's connected load is less than one thousand (1000) watts, his charges shall be based upon a load of one thousand (1000) watts.

(e) For the purpose of determining connected load, motors of five (5) horsepower and less shall be rated on a basis of one (1) horsepower equaling one thousand (1000) watts.

(f) Electric welding transformers and X-Ray machines shall be rated at fifty percent (50%) of their nameplate capacity.

(g) Duplex receptacles shall be counted as one hundred (100) watts each.

(h) Portable appliances and equipment supplied from and connected to a standard 120 volt duplex receptacle shall not be included in the determination of connected load.

3.12 Installations Up to 3000 Watts Connected Load (General Service Rate)

Where the connected load as determined in Section 3.11 is not over three thousand (3000) watts and providing the maximum energy consumption in any month does not exceed 1800 kilowatthours, connected load shall be used as a basis for billing.

3.13 Installations Over 3000 Watts Connected Load

Where the connected load as determined in Section 3.11 is over three thousand (3000) watts or energy consumption is in excess of 1800 kWh in any month, maximum demand in kilowatts (Kw) or Kilovolt ampere shall be used as a basis for billing of Small General Service Rate Customers.

3.14 Maximum Demand

Maximum Demand shall be determined by use of a suitable maximum demand indicator which will record the maximum demand during the billing period.

3.15 Estimated Readings for Billing Purposes

Unless otherwise ordered by the authority having jurisdiction meters shall be read at intervals of not longer than two (2) months save and except for demand meters which shall be read monthly. Interim bills issued between meter readings shall be computed and rendered using the estimated amount of consumption for the billing period.

Should the Utility, due to circumstances beyond its control, be unable to obtain a meter reading for billing purposes during the normal reading period, exercising due diligence in the usual practice of meter reading, the probable amount of energy consumed may be estimated by the Utility for a period not exceeding three (3) consecutive months. If the Utility has been unable to obtain more than one meter reading due to inaccessibility of the meter in the customer's premises, it shall be the responsibility of the customer to make arrangements with the utility so that the meter can be read or a meter reading obtained during normal business hours.

After a period of estimated readings, when an actual meter reading has been obtained, the next billing will be adjusted, if necessary, to account for any high or low estimation of readings made during the period of estimation.

3.16 Power Factor

When charges are based on maximum demand, they may, at the Utility's option, be measured in Kilowatts or Kilovolt amperes and will be adjusted for power factor, as necessary, in the following manner:

(a) When the demand is measured in Kilovolt amperes (KVA) by means of an indicating Kilovolt ampere meter, the demand calculated from this meter reading shall be multiplied by eighty-five (85 %) percent and the result shall be used as the Kilowatt (KW) demand for billing purposes.

(b) When the demand is measured in Kilowatts (KW) by means of an indicating Kilowatt meter, the demand calculated from this meter reading shall be multiplied by 1.175 (85% P.F.) and the result shall be used as kilovolt ampere (KVa) demand for billing purposes.

(c) When charges are on the Residential Rate, the Utility shall have the right to refuse electrical service for operation of fluorescent and other electrical equipment which is not power factor corrected so that the power factor of such equipment when in operation is not less than eighty-five (85%) percent lagging.

3.17 Paymeters

At its own option, the Utility may install a suitable paymeter on any customer's service and thereafter the service charge for said customer shall be on dollar ($1.00) per month in addition to the regular service charge provided in the schedule of rates.

3.18 Customer Generating Facilities

When a customer wishes to install and operate electrical generating facilities in parallel with the Utility's power system, such facilities and operating mode must be approved by the Utility before any interconnection is made with the Utility's system, and must meet all applicable C.S.A. and other applicable standards.

3.19 Utility Equipment

Utility equipment installed on a customer's premises to provide or meter their electrical service is placed in the safe custody of the customer. The cost of vandalism and damage necessitation replacement or repairs to such equipment in excess of normal maintenance requirements may be billed to the customer.

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

::::::::::::

COST OF COMMODITY CLAUSE

APPLICATION: The following cost of commodity clause will apply to all scheduled rates applicable to the sale of electricity by Maritime Electric Company, Limited.

COST OF COMMODITY ADJUSTMENT: With the prior approval of the Commission, an upward or downward revision in steps of one percent will be applied to all schedules of rates, excluding fuel clause adjustments, until the Utility is earning within its approved range of rate of return on earnings base. No more than one such adjustment per month may be made under this clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

::::::::::::

STANDARD FUEL CLAUSE

APPLICATION: The following fuel clause will apply to all scheduled rates applicable to the sale of energy by Maritime Electric Company, Limited.

FUEL CLAUSE: The energy charge under all applicable rates will be subject to a rate adjustment when the cost of fuel used to generate electricity in the Company's generating plants and the cost of purchased electricity increases or decreases from the base cost.

The base cost for fuel used in generating electricity and for purchased electricity is 4.043 cents per kilowatt hour net produced and purchased.

The rate adjustment per kilowatt hour sold and applied in each month will be calculated as follows:

1. Determine the total cost of fuel used to generate electricity in the Company's generating plants and the cost of purchased electricity in the second month preceding the billing month.
2. Calculate 1/60 of the deferred fuel cost for the two months ended December 31, 1980. This amount to cease being an element in the fuel clause calculation after sixty months.
3. Calculate any over (or under) collection of fuel clause expense due to monthly fluctuations in (kWh) sales. Multipy kWh sales in the second month preceding the billing month by the Fuel adjustment in that month to determine actual fuel clause revenue recovered. Subtract this from the calculated excess cost which was used to establish the rate adjustment for the second month preceding the billing month.
4. Determine the net kilowatt hours of energy generated in the Company's generating plants and the kilowatt hours of energy purchased in the second month preceding the billing month.
5. Multipy the quantity of energy determined in (4) above by the base cost per net kilowatt hour of 4.043 cents to determine the base cost of fuel.
6. Subtract the base cost of fuel determined in (5) above from the sum of the cost and expense determined in (1), (2), and (3) above to calculate the total amount of adjustment required.
7. Divide the adjustment calculated in (6) above by the total energy sold by the Company in the second month preceding the billing month to determine the rate adjustment required in cents per kilowatt hour sold and which will be applied in the billing month. The rate adjustment will be calculated to the nearest three decimal places (five decimal places on the dollar).

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCEDULE OF RATES

::::::::::::::

RATES FOR CHARLOTTETOWN AREA

The Charlottetown Area shall include that area bounded by the following description:

> Commencing at a point on the shoreline of the Hillsborough River where it is joined by Wright's Creek and following the shoreline of the Hillsborough River and the North River to its intersection with the Trans Canada Highway at the T.C.H. Causeway; thence easterly along the Trans Canada Highway and in a line in continuation thereof to a point of intersection with the Canadian National Railway right-of-way; thence in a northerly direction following the C.N.R. right-of-way to the point of intersection with the Sherwood Road; thence easterly along the Sherwood Road to the Brackley Point Road; thence northerly along the Brackley Point Road to the north boundary of the Charlottetown Airport; thence following the various courses of the Airport boundary as it existed prior to 1978 and as shown as property of Department of Public Works (Canada) on Department of Public Works Plan S-500 dated February, 1978 and registered with the Registrar of Deeds for Queens County on August 16, 1979 to the point of intersection with the Norwood Road; thence following the Norwood Road to its point of intersection with the southern branch of Wright's Creek; thence following Wright's Creek to the point of commencement on the shoreline of the Hillsborough River.
>
> In all Cases where boundary lines are roads or highways, service will be provided to all premises on both sides of the road or highway to a maximum distance of 200 feet outside the described area.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR CHARLOTTETOWN AREA

RESIDENTIAL SERVICE RATE

AVAILABILITY: The rate for residential service shall apply to all electric energy used by the customer for domestic or household purposes, including lighting, heating, cooking, refrigeration and power for ordinary small household applicances. Service shall be rendered under this rate through one meter to each individual apartment, each unit of a multiple dwelling, and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, public buildings, public boarding houses, rooming houses, institutional dormitories and the like.

Service Charge:	$3.38 per month.
Energy Charge:	8.479 cents per kilowatt hour for the first 200 kilowatt hours per month.
	7.194 cents per kilowatt hour for all consumption over 200 kilowatt hours per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCEDULE OF RATES

: : : : : : : : : : : :

RESIDENTIAL ALL-ELECTRIC RATE — CHARLOTTETOWN

AVAILABILITY: This rate shall apply to electric energy used by a customer located in areas where existing power line facilities are capable of providing this type of service for household purposes, and shall only apply to new construction and existing buildings which have been insulated to the required standards, and shall be for a minimum period of twelve months to homes or individual apartments where electricity is the only source of energy used for space heating, water heating, lighting, and the operation of all household appliances. Service shall be rendered under this rate through one meter to each home, individual apartment, each unit of a multiple dwelling and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, motels, public buildings, public boarding houses, rooming houses, institutional dormitories, and the like.

QUALIFICATIONS: In order to qualify for this rate, the owner must submit an application accompanied by a set of plans and specifications of the building for approval by the Utility. The plans and specifications must show that the construction will be in accordance with the Residential All-Electric Heating Standards as approved by the Public Utilities Commission.

Service Charge:	$3.21 per month.
Energy Charge:	8.055 cents per KWH for the first 200 KWH per month.
	6.834 cents per KWH for all consumption over 200 KWH per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR CHARLOTTETOWN AREA

STREET LIGHTING RATE

AVAILABILITY: This rate shall apply to electric energy to be used by the customer for street or area lighting service furnished within the Charlottetown area and shall be for all-night service every night on a schedule of approximately 4,000 hours per year and shall include maintenance of street lighting circuits and equipment and renewal of lamps.

Series or Multiple Lighting

4,000 Hours Burning

70	Watts	Windsor Latern*	$193.29 per lamp per year
125	Watts	Mercury Vapour	$ 84.37 per lamp per year
175	Watts	Mercury Vapour	$103.33 per lamp per year
250	Watts	Mercury Vapour	$155.29 per lamp per year
400	Watts	Mercury Vapour	$226.22 per lamp per year

* Circuits for Windsor Lantern installations are to be supplied by the customer.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR CHARLOTTETOWN AREA

GENERAL SERVICE RATE

AVAILABILITY: This rate shall apply to electric energy used by customers not covered by other rate classifications. Where service to a customer can be measured through a single meter and service will not be impaired by such grouping, single metering may be permitted.

A discount of $0.38 per KW monthly billing demand is available to customers who choose to supply, install and maintain their own service transformer. (Refer Article 2.13, Electric Utility General Regulations).

A) Light, Heat and Power up to 3 Kilowatts Connected Load

Demand Charge: $3.78 per month per kilowatt of connected load.

Energy Charge: 7.666 cents per kilowatt hour for the first 200 kilowatt hours per month per kilowatt of connected load.

6.840 cents per kilowatt hour for all consumption over 200 kilowatt hours per month per kilowatt of connected load.

B) Light, Heat and Power Over 3 Kilowatts Connected Load

Demand Charge: $4.63 per month per kilowatt of maximum demand

OR

when the connected load is 50 kilowatts or over and the off-peak demand is more than twice the demand during peak hours, $2.52 per month per kilowatt of maximum demand.

Energy Charge: 7.666 cents per kilowatt hours for the first 200 kilowatt hours per month per kilowatt of maximum demand.

6.840 cents per kilowatt hour for all consumption over 200 kilowatt hours per month per kilowatt of maximum demand.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR TOWN AREA

The Town Areas shall include the areas within the corporate limits of the Towns of Georgetown, Montague, Souris, Borden, Kensington and Alberton.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR TOWN AREAS

RESIDENTIAL SERVICE RATE

AVAILABILITY: The rate for residential service shall apply to all electric energy used by the customer for domestic or household purposes, including lighting, heating, cooking, refrigeration and power for ordinary small household appliances. Service shall be rendered under this rate through one meter to each individual household unit, i.e., single family house, individual apartment, each unit of a multiple dwelling, and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, public buildings, public boarding houses, rooming houses, institutional dormitories and the like.

Service Charge:	$5.04 per month.
Energy Charge:	8.479 cents per kilowatt hour for the first 200 kilowatt hours per month.
	7.194 cents per kilowatt hour for all consumption over 200 kilowatt hours per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RESIDENTIAL ALL-ELECTRIC RATE — TOWNS

AVAILABILITY: This rate shall apply to electric energy used by a customer located in areas where existing power line facilities are capable of providing this type of service for household purposes, and shall only apply to new construction and existing buildings which have been insulated to the required standards, and shall be for a minimum period of twelve months to homes or individual apartments where electricity is the only source of energy used for space heating, water heating, lighting, and the operation of all household appliances. Service shall be rendered under this rate through one meter to each home, individual apartment, each unit of a multiple dwelling and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, motels, public buildings, public boarding houses, rooming houses, institutional dormitories, and the like.

QUALIFICATIONS: In order to qualify for this rate, the owner must submit an application accompanied by a set of plans and specifications of the building for approval by the Utility. The plans and specifications must show that the construction will be in accordance with the Residential All-Electric Heating Standards as approved by the Public Utilities Commission.

Service Charge:	$4.79 per month
Energy Charge:	8.055 cents per KWH for the first 200 KWH per month.
	6.834 cents per KWH for all consumption over 200 KWH per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Stanadard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR RURAL AREAS

The areas to be served under the "Rates for Rural Areas" shall comprise all areas, communities and municipalities within the Province exclusive of the Charlottetown Area and the Town areas as herein before described, as well as that area of the Province served by the Town of Summerside Electric Department as set forth in their Schedule of Rates.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR RURAL AREAS

RURAL RESIDENTIAL RATE

AVAILABILITY: The rate for residential service shall apply to all electric energy used by the customer for domestic or household purposes, including lighting, heating, cooking, refrigeration and power for ordinary small household appliances. Service shall be rendered under this rate through one meter to each individual apartment, each unit of a multiple dwelling, and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, public buildings, public boarding houses, rooming houses, institutional dormitories and the like.

A farm may be considered a residential customer if it has an occupied domestic residence and may be served through a single meter at this rate. Service supplied at this rate shall be single-phase to a maximum service entrance capacity of 200 amperes to each individual residence or household. Load requirements in excess of this capacity shall be served under the General Service Rate.

Service Charge:	$5.89 per month.
Energy Charge:	8.479 cents per kilowatt hour for the first 200 kilowatt hours per month.
	7.194 cents per kilowatt hour for all consumption over 200 kilowatt hours per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RESIDENTIAL ALL-ELECTRIC RATE — RURAL

AVAILABILITY: This rate shall apply to electric energy used by a customer located in areas where existing power line facilities are capable of providing this type of service for household purposes, and shall only apply to new construction and existing buildings which have been insulated to the required standards, and shall be for a minimum period of twelve months to homes or individual apartments where electricity is the only source of energy used for space heating, water heating, lighting, and the operation of all household appliances. Service shall be rendered under this rate through one meter to each home, individual apartment, each unit of a multiple dwelling and the like. Two or more household units shall not be connected together and served under this rate, and it shall not apply to hotels, motels, public buildings, public boarding houses, rooming houses, institutional dormitories, and the like.

QUALIFICATIONS: In order to qualify for this rate, the owner must submit an application accompanied by a set of plans and specifications of the building for approval by the Utility. The plans and specifications must show that the construction will be in accordance with the Residential All-Electric Heating Standards as approved by the Public Utilities Commission.

Service Charge:	$5.60 per month.
Energy Charge:	8.055 cents per KWH for the first 200 KWH per month.
	6.834 cents per KWH for all consumption over 200 KWH per month.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR TOWN AND RURAL AREAS

GENERAL SERVICE RATE

AVAILABILITY: This rate shall apply to electric energy used by customers not covered by other rate classifications. Where service to a customer can be measured through a single meter and service will not be impaired by such a grouping, single metering may be permitted.

A discount of $0.38 per KW of monthly billing demand is available to customers who choose to supply, install and maintain their own service transformers. (Refer Article 2.13, Electric Utility General Regulations).

A) **Light, Heat and Power up to 3 Kilowatts Connected Load**

Demand Charge: $3.78 per month per kilowatt of connected load.

Energy Charge:	8.503 cents per kilowatt hour for the first 200 kilowatt hours per month per kilowatt of connected laod. 7.666 cents per kilowatt hour for all consumption over 200 kilowatt hours per month per kilowatt of connected load.

B) Light, Heat and Power over 3 Kilowatts Connected Load

Demand Charge:	$4.63 per month per kilowatt of maximum demand. OR When the connected load is 50 kilowatts or over and the off-peak demand is more than twice the demand during the peak hours, $2.52 per month per kilowatt of maximum demand.
Energy Charge:	8.503 cents per kilowatt hour for the first 200 kilowatt hours per month per kilowatt of maximum demand. 7.666 cents per kilowatt hour for all consumption over 200 kilowatt hours per month per kilowatt of maximum demand.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

RATES FOR TOWN AND RURAL AREAS

STREET LIGHTING RATE

AVAILABILITY: This rate shall apply to electric energy to be used by the customer for street lighting service furnished within the Town and Rural Areas and shall be for all night service every night on a schedule of approximately 4,000 hours per year and shall include maintenance of street lighting circuits and equipment and renewal of lamps.

Multiple Lighting

4,000 Hours Burning

100 Watts Incandescent	$ 56.34 per lamp per year
200 Watts Incandescent	$106.04 per lamp per year
300 Watts Incandescent	$153.98 per lamp per year
500 Watts Incandescent	$248.33 per lamp per year
125 Watt Mercury Vapour	$101.20 per lamp per year
175 Watt Mercury Vapour	$128.90 per lamp per year
250 Watt Mercury Vapour	$187.25 per lamp per year
400 Watt Mercury Vapour	$263.06 per lamp per year

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

LARGE GENERAL SERVICE RATE

AVAILABILITY: This rate shall apply to electric energy used by customers located in areas capable of being served by the existing power system who are served 12 months of the year and whose annual maximum demand is not less than 50 KVA and who sign an agreement with the Utility relative to their load requirements.

A discount of $0.32 per KVA of monthly billing demand is available to customers who choose to supply, install and maintain their own service transformers (Refer Article 2.13, Electric Utility General Regulations).

CORRECTION FACTOR: Customers served under this rate by single-phase service shall be metered in kilowatts and a correction factor of 1.175 applied to determine KVA for billing purposes.

Demand Charge:	$3.38 per month per KVA of billing demand when the load falls in the on-peak classification.
	$2.03 per month per KVA of billing demand when the load falls in the off-peak classification.
Energy Charge:	7.666 cents per KWH for the first 200 KWH per month per KVA of billing demand.
	5.990 cents per KWH for all over 200 KWH per month per KVA of billing demand.

INTERRUPTIBLE OPTION: An interruptible option shall be available under written contract provided that it shall only apply to that portion of the monthly demand which is in excess of 15% of the annual maximum demand. The interruptible portion shall not be less than 100 KVA.

Demand Charge:	$3.38 per month per KVA of essential demand
	AND
	$1.69 per month per KVA of interruptible demand for the portion of the demand which falls in the interruptible classification.
Energy Charge:	7.666 cents per KWH for the first 200 KWH per month per KVA of essential demand.
	5.990 cents per KWH for all over 200 KWH per month per KVA of essential demand, including all energy used under the interruptible option.
Billing Demand:	The billing demand for either option will be maximum metered KVA demand during the billing period, but

not less than 50% of the maximum demand established over the preceding 11 mos.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

SMALL INDUSTRIAL RATE

AVAILABILITY: This rate shall apply to electric energy used by customers located in areas capable of being served by the existing power system who are engaged in manufacturing, production, processing and other enterprises of a like nature.

A discount of $0.32 per KVA of monthly billing demand is available to customers who choose to supply, install and maintain their own service transformers (Refer Article 2.13, Electric Utility General Regulations).

CHARACTERISTICS: Customers served under this rate must have a load with an annual maximum demand of not less than 25 KVA.

TERMS OF CONTRACT: This rate shall apply for a minimum of four consecutive months in any 12-month period.

CORRECTION FACTOR: Customers served under this rate by single-phase service shall be metered in kilowatts and a correction of 1.175 applied to determine KVA for billing purposes.

Demand Charge:	$2.49 per KVA per month of the billing demand.
Energy Charge:	7.044 cents per KWH for the first 200 KWH per month per KVA of billing demand.

5.888 cents per KWH for the balance of KWH per month.

Billing demand: The maximum metered KVA demand during the month, but not less than 50% of the maximum demand established over the preceding eleven months.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

LARGE INDUSTRIAL RATE

AVAILABILITY: This rate shall apply to electric energy used by customers located in areas capable of being served by the existing 3-phase power system who are engaged in manufacturing, production, processing and other enterprises of a like nature.

A discount of $0.32 per KVA monthly billing demand is available to customers who choose to supply, install and maintain their own service transformers (Refer Article 2.13, Electric Utility General Regulations).

CHARACTERISTICS: Customers served under this rate must have an industrial load with an annual maximum demand of not less than 750 KVA.

TERMS OF CONTRACT: This rate shall apply for a minimum of 12 months.

Demand Charge: $2.52 per KVA per month of the billing demand.

Energy Charge: 6.964 cents per KWH for the first 200 KWH per month per KVA of billing demand.

5.847 cents per KWH for the balance of KWH per month.

Billing Demand: The maximum metered KVA demand during the month, but not less than 80% of the maximum demand established over the preceding eleven months. In no case shall the billing demand be less than 600 KVA.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

ALL-ELECTRIC GENERAL SERVICE RATE

AVAILABILITY: This rate shall apply to all electric energy used by qualifying customers in areas capable of being served.

QUALIFICATIONS: To any establishment in which electricity is the only source of energy for space heating, water heating, and all other services; and also provided that the connected space heating load is not less than ⅓ of the total connected load. Customers who qualify for this rate should ensure that the building is adequately insulated for electric space heating if used during the period 1 November to 30 April.

Demand Charge: $3.75 per month per KW of maximum demand.

Energy Charge: 7.081 cents per KWH for the first 200 KWH per month per KW of maximum demand.

6.030 cents per KWH for all energy in excess of 200 KWH per month per KW of maximum demand.

Maximum Bill: $14.16 per month, or the demand charge whichever is greater.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

UNMETERED RATE

AVAILABILITY: This rate shall apply to electric energy used to supply certain prescribed classifications of service to customer-owned devices which it is considered not practicable to meter, such as area lighting, telephone booths and traffic warning devices (it shall not apply to intersection traffic control lights). It shall not be available on a premises already served by a metered service.

INSTALLATION AND MAINTENANCE: All costs relative to installation and maintenance shall be borne by the customer. The Utility may do installation and maintenance upon the request and at the expense of the customer.

METERING: No energy metering device shall be used to serve customers which fall within this rate. The prescribed classification will be charged as follows:

Area Lighting Charge:	$3.71 per month per 100 watts of connected load.
Flashing Light Charge:	$3.71 per month per 100 watts of connected load.
Continuous Light Charge:	$6.22 per month per 100 watts of connected load.
Railway Signal Charge:	$6.22 per month per 100 watts of connected load.

Telephone Booth Charge: $6.22 per month per 100 watts of connected load.

Minimum Charge: The minimum charge shall be $2.83 per month with not less than six monthly charges in any one year.

FUEL CLAUSE AND COST OF COMMODITY CLAUSE: This rate is subject to the Standard Fuel Clause and the Cost of Commodity Clause.

EFFECTIVE: March 1, 1981

MARITIME ELECTRIC COMPANY, LIMITED

SCHEDULE OF RATES

: : : : : : : : : : : :

EMERGENCY ALARM RATE

AVAILABILITY: This rate shall apply to electric energy used by legally constituted fire fighting departments and the Government of Canada Alert Warning System for the purpose of operating sirens.

INSTALLATION: All equipment installed for fire alarm and alert warning systems shall be the responsibility of the departments concerned.

METERING: No energy metering device shall be used with regard to alarm equipment which falls within this rate. All energy for equipment other than sirens will be metered.

Demand Charge: No Charge.

Energy Charge: No Charge.

EFFECTIVE: March 1, 1981

Outside Investment

On 17 September 1980, representatives of Maritime Electric Company, Limited met with the Commission in order to report on the progress being made with regard to the negotiations relative to ensuring the availability of 20 megawatts of power via the proposed purchased of 10% of the Dalhousie coal-burning 200 megawatt plant in New Brunswick. The investment required would be in the vicinity of 17.4 million dollars, and it was the opinion of the Company that confirmation should be sought from the P.E.I. Court of Appeals as to whether or not the Public Utilities Commission of Prince Edward Island had the authority to rule on including out-of-the-Province investments in the earnings base of the Company. It was decided to prepare and file such an application stating a case for the opinion of the Appeals Division of the Supreme Court of Prince Edward Island upon the following questions of law:

1. If an assest of a utility is otherwise properly included in the earnings base established in respect of the utility, must that asset be located within Prince Edward Island?

and

2. If an asset is other wise properly included in the earnings base established in respect of a utility, must the asset be wholly owned by the utility?

On 21 November 1980, the Appeals Division of the Supreme Court rendered its opinion in the matter, and stated in this document that "Our answer to each question stated is "no", but it must be understood that we are not, in giving this opinion, to be taken as either approving or disapproving the proposed purchase. Approval or disapproval of the proposal rest with the Public Utilities Commission."

Maritime Electric (P.E.I.) Limited

On 19 February 1981, a hearing was held relative to an application by Maritime Electric (P.E.I.) Limited for a permit to operate a public utility for the production, transmission and furnishing of electricity in the Province of Prince Edward Island. Following the hearing, this matter was taken under advisement and this application was approved in accordance with the Order which follows:

CANADA

PROVINCE OF

PRINCE EDWARD ISLAND

Before the Public Utilities Commission

IN THE MATTER of section 6 of the Electric Power and Telephone Act R.S.P.E.I. 1974, Cap. E-3

and

IN THE MATTER of the application of Maritime Electric (P.E.I.) Limited for a permit to operate a public utility for the production, transmission and furnishing of electricity in the Province of Prince Edward Island;

UPON the application of Maritime Electric (P.E.I.) Limited, considered at a hearing thereof held on 19 February 1981;

AND UPON hearing the evidence and perusing the material presented in support thereof;

AND UPON being satisfied that present and future public convenience and necessity will require the service proposed to be provided by Maritime Electric (P.E.I.) Limited;

IT IS THEREFORE ORDERED AND DECLARED that Maritime Electric (P.E.I.) Limited be and it is hereby permitted to operate as a public utility in the Province of Prince Edward Island providing electricity to Maritime Electric Company, Limited, subject, however, in all respects to the Public Utilities Commission Act and the Electric Power and Telephone Act and to all other applicable legislation.

DATED this 19th day of February, 1981.

The Public Utilities Commission

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

Clair Sudsbury
Commissioner

B. TOWN OF SUMMERSIDE ELECTRIC DEPARTMENT

Three Phase Rebuild

On 10 June 1980, approval was granted the Town of Summerside Electric Department relative to a three phase rebuild on South Drive, St. Eleanors, a distance of approximately 4,500 feet.

Regulations

On 26 January 1981, the amended Regulations as approved for use by Maritime Electric Company, Limited were also approved for use by the Town of Summerside Electric Department, Rural Division, effective 1 March 1981.

C. STATISTICS OF ELECTRIC ENERGY FOR THE PROVINCE

The two public utilities which supply electric energy within the Province submitted their annual reports, and from these it appears that 126,823,519 kilowatt hours were generated during the calendar year of 1980, while in 1979, the utilities generated 151,197,736. This represents a decrease of 16.12%.

	kWh Generated	kWh Purchased
Maritime Electric Co., Ltd.	125,738,548	388,854,502
Town of Summerside Elec. Dept.	1,084,970	53,059,734
	126,823,518	441,914,236

The decrease in energy generated on Prince Edward Island is again attributable to the fact that a significant portion of our energy is now purchased from the New Brunswick Electric Power Commission through the cable interconnection.

MATTERS PERTAINING TO TELEPHONE SERVICE

A. ISLAND TELEPHONE COMPANY LIMITED

Expansion and Development program

The following expenditures by the Island Telephone Company Limited were approved relative to their continuing expansion and development program:

CHARLOTTETOWN (TOLL) EXCHANGE:
Alterations to First Floor for Digital Switching Equipment

CHARLOTTETOWN:
Step by Step Co-ordinating Equipment for Digital Switching

NEW HAVEN EXCHANGE:
Outside Plant Facilities for Cornwall

MT. STEWART:
General Cable Relief

TOTAL COMPANY:
Motor Vehicle Fleet Management System

NEW LONDON:
Extend Buried Cable on Woodside Road

KENSINGTON:
Place Buried Cable on Un-named Road at Indian River

VERNON RIVER EXCHANGE:
Provide Building and Generator

CHARLOTTETOWN — CORNWALL:
Cable Carrier Facilities

SUMMERSIDE:
Provide Additional Touchtone Equipment

CHARLOTTETOWN:
Install 4 Wire E&M Channel Unit

ALBERTON EXCHANGE:
Erect Cable on Main Street in Alberton

SUMMERSIDE:
Provision of Automatic Number Announcers

CHARLOTTETOWN, SUMMERSIDE & TIGNISH:
Provide 1980 Maintenance Spares

SUMMERSIDE:
Pressurization System for Summerside Exchange

MONTAGUE:
Install VF Repeater Equipment

NEW HAVEN:
Placed Buried Cable on Un-Named Cottage Road at Argyle Shore

CHARLOTTETOWN EXCHANGE:
Inspection, Location and Re-arrangement of O.P. Facilities for Island Cablevision Limited

MORELL — ST. PETERS:
General Cable Relief

CARDIGAN:
Cable Relief — Line Load Reduction

CHARLOTTETOWN:
Digital Switching Equipment for Dial Extension

ALBERTON EXCHANGE:
Provide Security Fencing

CHARLOTTETOWN EXCHANGE:
Replace terminals Jones Building (Annex)
Provincial Administration Complex

BORDEN EXCHANGE:
Place Cable to New Cottage Sub-division
off Augustine Cove Road

CHARLOTTETOWN & SUMMERSIDE EXCHANGES:
Install Fire Alarm Systems

VARIOUS:
Portable Test Equipment

TOTAL COMPANY:
1981 Analogue Multiplex Additions

CHARLOTTETOWN EXCHANGE:
Replace old type terminals Shaw Building,
Provincial Administration Complex

RUSTICOVILLE EXCHANGE:
Joint Use Pole Line — Lantern Hill Subdivision

HUNTER RIVER:
Switching Equipment for Dial Extension

CHARLOTTETOWN TOLL:
1981 Dataroute — Initial

COVEHEAD EXCHANGE:
General Cable Relief

TYNE VALLEY:

General Cable Relief

NEW HAVEN EXCHANGE:
General Cable Relief

VARIOUS:
Front End Cash System

CHARLOTTETOWN:
Mechanized Directory Information
Retrieval System

THE ISLAND TELEPHONE COMPANY LIMITED:
Station Equipment Telephone Routine Expenditures — 1980

BEDEQUE, BORDEN:
Trunking Rearrangements
MURRAY RIVER & MORELL:
Provide VF Equipment
RUSTICOVILLE EXCHANGE:
Erect Cable on Un-named Street in
Lantern Hill Subdivision
MORELL — ST. PETERS EXCHANGE:
Place Additional Cable on Forest Hill Road
EGMONT AND HAZEL GROVE RADIO:
Building Modifications for Heating and Cooling
CARDIGAN:
Switching Equipment for Dial Extension
MONTAGUE:
Switching Equipment Extension
NEW LONDON EXCHANGE:
General Cable Relief
SUMMERSIDE EXCHANGE:
General Cable Relief
VARIOUS:
Cable Carrier Growth
SUMMERSIDE EXCHANGE:
Distribution Cables on New Streets
and Subdivisions
CHARLOTTETOWN EXCHANGE:
General Cable Relief
SOURIS EXCHANGE:
General Cable Relief
THE ISLAND TELEPHONE COMPANY:
Terminals for Mechanized Administration System
THE ISLAND TELEPHONE COMPANY LIMITED:
Special Services Equipment Expenditures
THE ISLAND TELEPHONE COMPANY LIMITED:
Station Equipment Telephone — Routine
Expenditures — 1981
THE ISLAND TELEPHONE COMPANY LIMITED:
Routine and Provincial Highway
Department Expenditures — 1980
CHARLOTTETOWN:
General Cable Relief
ALBERTON:
Place Cable to Hayman Subdivision in Northport

O'LEARY EXCHANGE:
Plant Extension — Doyle Road

RUSTICOVILLE:
Switching Equipment for Dial Extension

MOUNT STEWART:
Switching Equipment for Dial Extension

CHARLOTTETOWN EXCHANGE:
Distribution Cables — New Streets
and Subdivisions

THE ISLAND TELEPHONE COMPANY LIMITED:
Routine and Provincial Highways
Department Expenditures

VARIOUS:
General Equipment — 1981

SUMMERSIDE:
Place Additional Underground Cable at
Waterfront Mall for CN-CP Telecommunications

VARIOUS ISLAND:
Remote Test Equipment

ALBERTON AND TIGNISH:
Initial Automatic Number Identification

TOTAL COMPANY:
Plug-In Equipment — 1981

KENSINGTON EXCHANGE:
General Cable Relief

CHARLOTTETOWN, NEW HAVEN, CHURCHILL:
Video and Program Equipment for Additional
Contracted Facilities

ST. PETER'S EXCHANGE:
Sale of Land

CHARLOTTETOWN:
Digital Switching Equipment for
Dial Extension

THE ISLAND TELEPHONE CO. LTD.
Miscellaneous Alterations and Additions
to Buildings, Towers and Generators

SOURIS:
Combined Distribution Frame Cable Rack

SOURIS:
Install Two Wire Channel Units

CHARLOTTETOWN EXCHANGE:
Place Gas Feeder Pipe in Underground
System From Central Office to MH1A-1 Euston Street

WELLINGTON EXCHANGE:
Cable Relief and Line Load Reduction

ISLAND TOLL LINES:
Remove Toll Poles Vernon River — Montague

CHARLOTTETOWN AREA:
Portable Generators

CHARLOTTETOWN:
Install Centrex Service for Queen Elizabeth Hospital

CHARLOTTETOWN:
Provide Additional Touch Tone Equipment

VARIOUS ISLAND:
Correct PH-1A Wiring

CBCT — CHARLOTTETOWN:
Provide Emergency Broadcast System

CHARLOTTETOWN:
Install VF Repeater Equipment

CHARLOTTETOWN:
Provide VF Equipment

Rural Telephone Expansion Program

During the year covered by this report, the following applications were submitted by the Island Telephone Company Limited for the placing of buried plant and aerial cable along the following highways:

EXCHANGE	AREA	DISTANCE
New London	Woodside and Un-named Roads	1.0 km
Kensington	Un-named Road	1.4 km
Murray River	Cambridge Road	0.2 km
Murray River	Peters Road East	0.3 km
Tignish	Palmer Road	0.4 km
Morell-St. Peters	Mooney Road	0.2 km
New Haven	Argyle Shore Road	0.1 km
Hunter River	Fredericton Station Road	0.3 km
Charlottetown	Kentyre Road	0.2 km
New Haven	Meadowbank Road	0.7 km
Charlottetown	Old St. Peters Road	0.4 km
Charlottetown	Vickerson Road	0.2 km
New London	Stanley River Road	0.3 km
Rusticoville	Simpson's Mill Road	0.3 km
Crapaud	Tryon Point Road	0.6 km
Cardigan	Un-Named Road	0.6 km
Eldon	Maitland Road	0.2 km
Summerside	Summerside-Bedeque Road	0.5 km
Covehead	Un-Named Street	0.2 km

Covehead	West Covehead Road	0.2 km
Cardigan	Hazel Green Road	1.6 km
Kensington	County Line Road	1.0 km
New London	Granville Road	0.5 km
Murray River	Un-Named Road	0.3 km
Kensington	Un-Named Road	0.6 km
Morell-St. Peters	Un-Named Road	0.8 km
Crossroads	Brazel Road	0.4 km
Eldon	Roseberry Road	0.4 km
Montague	County Line and Heatherdale Roads	0.9 km
North Rustico	Lantern Hill Subdivision	0.6 km (aerial)
O'Leary	Western Road	3.8 km
Hunter River	Un-Named Road	0.2 km
Montague	Mellish Road	0.9 km
O'Leary	O'Leary Road West	3.6 km
Bedeque	County Line Road	1.9 km
Mt. Stewart	Portage Road	1.2 km
Mt. Stewart	Dromore & McCannel Roads	5.3 km
Crossroads	MacLennan Road	0.2 km
Alberton	Cascumpec Road	0.3 km
Tignish	Pig Brook Road	0.3 km
Eldon	Maitland Road	1.2 km
Morell-St. Peters	Upton Road	1.5 km
Montague	Wood Islands Road	0.8 km
Morell-St. Peters	Forest Hill Road	1.2 km
New Haven	Lynwood Road	0.3 km
Crossroads	Gay Road	0.2 km
Charlottetown	St. Peters Road	1.0 km
Cardigan	Wharf Road	0.5 km
Charlottetown	Lower Malpeque Road	1.9 km (aerial)
Hunter River	New London Road	0.3 km
Charlottetown	Brackley Point Road	1.4 km (aerial)
Hunter River	New Glasgow Road	0.2 km
Hunter River	Inkerman Road	0.8 km
New London	Eel Creek Road	0.2 km
Rusticoville	Un-Named Road	0.4 km
Souris	Un-Named Road	0.2 km
Georgetown	Stone Arch Road	0.5 km
O'Leary	Doyle Road	1.2 km
Tyne Valley	Ellerslie Road	1.9 km
Souris	St. Catherine's Road	0.7 km
Covehead	York Road	1.9 km (aerial)
New London	New London Road	1.1 km (aerial)
Summerside	Schurmans Pt. Road	2.6 km
Summerside	Belmont Road	2.0 km
Summerside	Western Road	1.5 km
Summerside	North Drive	0.3 km (aerial)
Wellington	Urbainville Road	1.6 km
Kensington	Princetown Road	0.5 km
Souris	Little Harbour Road	1.2 km
Souris	Fortune Bay and Glenwood Roads	1.6 km
Charlottetown	Union Road	5.1 km
Charlottetown	Lower Marshfield Road	1.7 km
Charlottetown	Frenchfort and Jenkins Road	2.6 km
New London	Rattenbury Road	1.3 km

New London	Lower Freetown, Emerald and Mill Roads	5.1 km
Morell-St. Peters	St. Peter's Lake, St. Peter's Harbour and Red Head Roads	5.8 km
Morell-St. Peters	Cable Head & Cable Head East Roads	4.0 km
Morell-St. Peters	Church, Forest Hill, Upton and Clay Roads	4.5 km
Morell-St. Peters	Souris Road	4.4 km
Tyne Valley	Barlow, Lot 11 and Tory Roads	7.9 km
Tyne Valley	McNeills Mills Road	2.3 km
Tyne Valley	Birchill and Port Hill Roads	3.1 km
Tignish	Palmer Road	0.5 km
Cardigan	Annandale, Annandale Harbour & Little Pond-Cape Road	10.8 km
Cardigan	Durell Point Road	0.8 km
Cardigan	Launching and Cardigan Roads	5.5 km
Cardigan	Cumberland, Strathcona and Primrose Roads	6.1 km
Cardigan	Seal River and DeGros Marsh Roads	2.9 km
Cardigan	Collings-Lorne Valley, 48 and Baldwins Roads	6.5 km
Cardigan	Cardigan-St. Peters and Martinvale Roads	4.2 km
Cardigan	MacDonald and Lauching Roads	4.5 km
Covehead	Portage, Britain Shore & Brackely Pt. Roads	4.6 km
Covehead	West Covehead & York Roads	5.8 km
Covehead	Stanhope, Millcove & Pleasant Grove Roads	7.6 km
Covehead	Tracadie Harbour, Donaldston & Cottage Roads	2.2 km
Kensington	Charlottetown-Summerside, Kerrytown : County Line Roads	3.10 km
Kensington	Irishtown Road	3.7 km (aerial)
Kensington	Malpeque Road	3.2 km (aerial)
Murray River	Cambridge Road	0.2 km
Charlottetown	New Glasgow Road	1.1 km
Kensington	Malpeque, Base Line and Darnley Roads	4.5 km
South Lake	Munns Road	0.6 km

These applications involved a total distance of 190.00 kilometres and received the approval of this Commission conditional on approval being first obtained from the Department of Highways in each case.

Financing

On 10 September 1980, the Commission approved the issuance of $4,000,000 First Mortgage Bonds Series N at the rate of 14% per annum.

Upgrading of Service

An application from The Island Telephone Company, Limited to extend the Base Rate Area of the Charlottetown Exchange to include the areas of Rosebank, Langley and Keppoch was approved by the Commission on 25 June 1980 to be effective 6 August 1980, in accordance with Sheets 3 and 4 of Section E-4 of the General Tariff, which Tariff is printed in its entirety in this Report.

On 20 August 1980, an application by Island Telephone Company Limited to establish a Locality Base Rate Area in the Tignish Exchange to include the areas of St. Louis, St. Edwards and Miminegash was approved by the Commission. This is set forth in Sheet 16 of Section E-4 of the General Tariff, and was effective 31 October 1980.

On 26 January 1981, the Commission approved rates for system service designated as 401 in accordance with Section E-16, Sheet 4 of the General Tariff, effective 1 February 1981.

A proposal set forth by the Island Telephone Company Limited to the Commission on 13 January 1981 relative to the provision of special telephone equipment to the physically handicapped was approved by the Commission on 26 January 1981.

On 8 October 1980, the Commission authorized the provision of terminal facilities for the purpose of providing terminal facilities for a Telidon unit, which facilities would in essence provide a link from U.P.E.I. to the principal Telidon unit in Ottawa. Telidon is a new concept in communciations and one which is expected to have a tremendous impact on telephone subscribers, and with it bring new kinds of services and applications.

Application re Interconnect

Further to the Commission's report for the term ending 31 March 1980, the Commission, on 23 July 1980, rendered its Decision with regard to the application of Garden of the Gulf Court & Motel Incorporated of Wilmot, Prince Edward Island for permission to connect customer-owned telephone equipment to the network facilities of The Island Telephone Company Limited. The Decision reached in this regard follows:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the **Public Utilities Commission Act**, R.S.P.E.I. 1974, Cap. P-31.

— and —

IN THE MATTER of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Cap. E-3.

— and —

IN THE MATTER of an application by Garden of the Gulf Court & Motel Inc. for approval of connection of customer owned equipment to the network facilities of the Island Telephone Company Limited.

DECISION

This matter is before the Public Utilities Commission by way of an Application dated the 12th day of June, 1979 by Garden of the Gulf Court & Motel Inc. of Wilmot, Prince Edward Island, pursuant to the provisions of Section 33(2) of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Cap. E-3, and amendments thereto, and **The General Tariff** of The Island Telephone Company Limited Section E-2, Sheet 4 approved by the Public Utilities Commission effective March 1, 1977 (which at time of hearing was Section G-1, Sheet 4, effective March 1, 1979).

Section 33(2) of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Cap. E-3 reads as follows:

> "33(2). If a customer of any public utility installs or connects or is desirous of installing or connecting any service, appliance or equipment which in the opinion of the public utility is or may be detrimental to the service being rendered, the matter may be referred to the

> Commission by either party and the Commission may make such order thereon as appears reasonable and just."

Item 40(3) **Foreign Attachments** of Section G-1, Sheet 4 of **The General Tariff** of The Island Telephone Company Limited as approved by The Public Utilities Commission effective March 1, 1979 reads as follows:

> " 3(a). Subscribers shall not use or permit to be used any equipment, apparatus, circuit or device either attached to or arranged so as to operate in conjunction with the equipment, facilities or other property furnished by the Company without the consent of the Company, or permit the attachment of advertising devices except upon the approval of the Company.
>
> (b). When a attachment or arrangement of any kind other than that furnished or approved by the Company is attached to or connected with any part of the Company's property, the Company reserves the right upon due notice to remove such attachment or arrangement or to disconnect the service."

The Applicant, Garden of the Gulf Court & Motel Inc., (hereinafter referred to as the Applicant) is asking for an Order (a) allowing the connection of the Applicant's Crossbar PABX Model H76 (AC-125) System to The Island Telephone Company Limited's facilities as soon as possible at fair and reasonable rates, and (b) granting the Applicant its costs of the Application, and (c) such further and other Orders as the Commission deems just and proper.

The Commission held hearings on 14 and 15 August, 1979, 11 and 12 October, 1979, 29 and 30 November 1979 and 30 January 1980. Nineteen (19) witnesses testified and some fifty-three (53) exhibits wer filed. The Applicant was represented by Gerard E. Mitchell and John F. Keaveny. The Respondent, Island Telephone Company Limited, was represented by Alan K. Scales, Q.C., and the Commission by Norman H. Carruthers.

The Applicant's application was filed with the Commission by Gordon E. Kaiser of Lang, Michener, Cranston, Farquharson & Wright, Barristers & Solicitors, Toronto, Ontario. At the commencement of the hearing, Mr. Kaiser asked the Commission that he be allowed to act on behalf of the Applicant at the Hearing. As Mr. Kaiser was not a member in good standing of the Law Society of Prince Edward Island, he was not permitted to act on behalf of the Applicant.

Several parties asked to be allowed to present evidence before the Commission as interveners. The Commission decided that it was prepared to hear any witness called by either the Applicant or by The Island Telephone Company Limited but that it would not hear independent interveners. As the application was brought under the provisions of Section 33(2) of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Cap. E-3, the Commission ruled that such an application did not provide for independent interveners who could be heard if the application had been presented under a different section of the Act.

By way of background, the Island Telephone Company Limited was preceded by The Telephone Company of Prince Edward Island, which Company was incorporated by an act of the Legislative Assembly of Prince Edward Island in 1885, being Stats. P.E.I. 1885, Cap. 10. The Island Telephone Company Limited was incorporated by Stats. P.E.I. 1929, Cap. 30. Section 25 of the said Act incorporating The Island Telephone Company Limited provided that The Island Telephone Company Limited shall not carry on a telephone or telegraph business until it had arranged and agreed to purchase the property of The Telephone Company of Prince Edward Island and of The Eastern Telephone and Telegraph Company in Prince Edward Island.

The maximum rates chargeable for telephone service in Prince Edward Island were established in Schedule "A" to An Act to further amend the Act to Incorporate The Telephone Company of Prince Edward Island, Stats. P.E.I. 1921, Cap. 19. This Schedule continued in force until it was approved by The Board of Commissioners of Public Utilities for the Province of Prince Edward Island by a Decision dated 24 June 1941. Section E-2, Sheet 4, Foreign Attachment, reads as follows:

> "Foreign Attachments
>
> Subscribers shall not use or permit to be used any electrical or mechanical apparatus or device in connection with the equipment or facilities furnished by the Company, or permit the attachment of advertising devices except upon the approval of the Company.

> In case any instrument, apparatus or device of any kind other than that furnished or approved by the Company is attached to or connected with any part of the Company's property, the Company reserves the right upon notice to remove such instrument, apparatus or device or to disconnect the service."

This provision, as amended from time to time, has now become Item 40(3) of Section G-1, Sheet 4 of The General Tariff of The Island Telephone Company Limited, (hereinafter referred to as the Utility).

The Applicant has been a customer of the Utility for many years (since 1938 according to the application) and as of 1975 was renting the following facilities from the Utility:

(a) a private automatic branch exchange (PABX) manufactured by the L.M. Ericsson Company;

(b) fifty-five (55) telephones located in the rooms of the Applicant's motel;

(c) two (2) telephones located in the Office portion of the motel.

The Applicant normally closed its business in the fall for the winter months and would disconnect the telephone service for the winter months. In the fall of 1975, the Utility disconnected the Applicant's service at the Applicant's request.

A severe storm occurred in the winter of 1976 and the PABX equipment on the Applicant's premises was damaged.

The Utility removed the PABX equipment for repairs and the Applicant stated that he had discussions with representatives of the Utility with respect to the damages.

Evidence was given by Alfred V. Groom, President of the Applicant, that the cost to repair the equipment would be in the vicinity of $3,000 and that he was asked to pay the bill of $3,000, together with a $1,000 installation charge. Mr. Groom did not present any documentary evidence to substantiate this allegation. Mr. Groom admitted, however, that he did receive an Invoice for $268.02 from the Utility representing the costs of repairs to the Applicant (EXHIBIT 4) which it has never paid. (Also, EXHIBIT DM 3.)

David McLane, Marketing Manager of the Utility testified that the bill for $268.02 was the only bill issued with respect to the repairs for the equipment.

Discussions took place between the Applicant and the Utility with respect to the installation of PABX equipment in the Applicant's premises as a replacement for the damaged PABX but no agreement was ever reached between the Applicant and the Utility.

The Applicant made arrangements with OKI Electronics of America Inc. of Fort Lauderdale, Florida, United States of America in April 1979 to acquire a Model H76 (AC-125) Crossbar PABX System which the Applicant now desires to have installed on his premises and connected into the Utility's telephone network. This feature of a subscriber of the Utility owning a portion of his own telephone equipment and connecting it to the Utility's network has become known in the telecommunications industry as "interconnection" or "interconnect".

Mr. Groom stated in direct examination that he bought the AC-125 PABX from OKI Electronics of America Inc. but on examination by Commission Counsel he stated that he had only made a ten per cent (10%) deposit and that the balance has not been paid. Harold Richard Weise of OKI Electronics of America Inc., Fort Lauderdale, Florida stated on cross-examination that OKI Electronics has a letter of intent from Mr. Groom with a ten per cent (10%) deposit cheque. The equipment itself is manufactured in Japan by the parent company, OKI Electronic Ltd., and assembled in Fort Lauderdale, Florida for distribution in North America.

Mr. Groom wrote a letter dated 15 May 1979 to Mr. I.E.H. Duvar, Chairman of the Board and President of the Utility requesting permission to attach the AC-125 Crossbar PABX to the public switch network of the Utility.

Mr. Duvar replied to Mr. Groom's letter by letter dated 5 June 1979 whereby Mr. Duvar informed Mr. Groom that it was not possible at that time to connect the equipment to the telephone network for use in providing telephone service.

Mr. Groom then presented his Application to the Commission seeking permission to connect the equipment to the Utility's network.

Paragraph 14 of the Applicant's application states as follows:

> "14. The Applicant proposes to call evidence in these proceedings outlining the use of this equipment in the United States, the connection arrangements which have been per-

> mitted by operating telephone companies in the United States, the availability of repair and maintenance facilities, and the benefits to the subscriber of such arrangements."

Paragraph 15 of the Applicant's application states as follows:

> "15. The Applicant further proposes to call evidence demonstrating that:
>
> (a) the AC-125 equipment is not available from Island Tel;
>
> (b) such equipment will serve the Applicant's needs more effectively than equipment available from Island Tel;
>
> (c) the connection of the AC-125 to Island Tel's facilities will not harm Island Tel economically; and
>
> (d) the connection of the AC-125 does not pose any threat of technical harm to Island Tel's facilities."

The evidence presented on these eight (8) points will now be summarized as follows:

1. THE USE OF THIS EQUIPMENT IN THE UNITED STATES:

Harold Richard Weise, Sales Manager for sales of telephone switching, OKI Electronics of America Inc., Fort Lauderdale, Florida, U.S.A. testified that his Company had made sales of somewhere around 650 to 700 units and there were approximately 400 units in service. The equipment is primarily designed for use in the smaller motel and hotel properties, providing basic telephone service for guest and administration and services of the hotel.

Mr. Weise testified that his company sells these units to what are called interconnect companies and also to public utility or telephone operating companies throughout the United States and on an international basis.

John Bakas, Manager of Technical Planning and Operations Support of R.C.A. Service Company, a division of R.C.A. Corporation of Cherry Hill, New Jersey, U.S.A., testified that his company is a distributor or the OKI AC-125 PABX systems in the United States, primarily in the small hotel-motel market. His company has leased approximately 300 of the systems and has made installations in thirty-three (33) states.

2. THE CONNECTION ARRANGEMENTS WHICH HAVE BEEN PERMITTED BY OPERATING TELEPHONE COMPANIES IN THE UNITED STATES.

Mr. Weise testified about the approval given for use of the AC-125 equipment in the United States. His evidence is as follows commencing on p. 69, 1. 25, Vol. 1, 14 August 1979:

"Q. Now, is this equipment being approved for use by the Regulatory bodies in the United States?

A. Yes, we have an AT & T national contract. It is approved, it's been evaluated as suitable for use in the Bell Telephone network, or AT & T network.

We also, in addition to that, this product is under a tariff rate structure in about ten (10) areas of the United States now. It is also sold outright by some operating groups.

Q. Mr. Weise, I want to show you a document. Do you recognize that document?

A. Yes, I do.

Q. What is it?

A. This is a copy of the Federal Communications Registration Grant to OKI Electronics pertaining to the use of the AC-125 as a registered system for direct connection to the Public Utility Networks.

Q. Mr. Chairman, I tender that document as an exhibit for the Applicant.

Chairman. Thank you, Mr. Mitchell. This registration certificate of the Federal Communications Commission will be entered as Exhibit Number 7.

EXHIBIT # 7. REGISTRATION CERTIFICATE OF THE FEDERAL COMMUNICATIONS COMMISSION.

Mr. Mitchell. What is the meaning of that document, Mr. Weise, as far as you're concerned?

A. Basically, this document means that as the PABX is manufactured by us, a person purchasing it may hook its trunk lines or trunk circuitry to operating telephone trunk

> lines without the use of a protective coupler or with the use of an additional protective coupler."

Mr. Weise on examination by Commission Counsel states on p. 90, l. 15, Vol. 1, 14 August 1979 as follows:

> "Q. Now, you use the term, and I'm wondering if you would just expand on it a bit for clarification, what you mean, when you were talking about tariff rate structure. You said that you'd have a hook-up with the use of a protective coupler. What do you mean by that?
>
> A. On some equipment, it is manufactured by manufacturers, our own manufacturing facilities as well as our competitors, there is equipment that is manufactured which may be harmful to the public utility network. In those cases, where it is not so-called registered, certified and no certificate on it, there must be a device between the trunk and the physical equipment. That device is called a protective coupler, also referred to as an interfacing.
>
> Q. So, I take it, then that you have no clearance from any Canadian jurisdiction for the sale of this equipment in Canada, do you?
>
> A. No, we don't."

3. THE AVAILABILITY OF REPAIR AND MAINTENANCE FACILITIES.

Mr. Weise testified that his company provides full training facilities at the Fort Lauderdale plant involving marketing, sales, installation, technical aspects of the switch, and continued maintenance requirements which is offered free to all purchasers of equipment. The training program for the AC-125 switch is one week. The manufacturer gives a warranty with the equipment but the manufacturer requires that all defective equipment has to be returned to Fort Lauderdale for repairs. The manufacturer does not have any staff or any personnel in Canada.

Don Rouleau, Manager, Marketing, Commercial Products and Services, Service Division, R.C.A. Limited of Montreal, testified that if the Applicant was allowed to use the AC-125 equipment, his company would eventually be in a position to provide maintenance and service for the equipment in Prince Edward Island. However, Mr. Rouleau also stated that if Prince Edward Island was the only province in Canada that allowed customer terminal service connections, it would not be feasible for R.C.A. in Montreal to provide service for people in Prince Edward Island

Mr. Ralph G. Green, Regional Director for the Franchise Division of Quality Inns, Inc., of Silver Spring, Maryland, U.S.A. testified about the experience he had in Baltimore with respect to maintenance and repair facilities. He stated that there was a maintenance office in Baltimore maintained by the distributor and he did not experience any major problems.

Robert Lunn, President of Airpage Communications Limited, Bedford, Nova Scotia, testified that his company employed eight-five (85) people, some of whom comprise a well-qualified staff of maintenance technicians, quite capable of maintaining the AC-125 PABX and that his company would provide the necessary repair and maintenance facilities for the Applicant.

4. THE BENEFITS TO THE SUBSCRIBER OF SUCH ARRANGEMENTS.

Mr. Weise testified on p. 71, 1. 15, Vol. 1, 14 August 1979 with respect to benefits to the subscriber as follows:

> "A. We are told by the people who purchase it that it has been a boon to their business in the sense that they have been able to offer the smaller hotel, Hotel Association, basic telephone service at lower rates than were previously available under their previously used equipment from other manufacturers."

John Bakas testified that local phone rates tend to go down because of the competition that is created. He further testified on p. 109, 1. 25, Vol. 1, 14 August 1979 as follows:

> "Mr. Mitchell. Mr. Bakas, in your experience, what savings have been made available to your customers as a result of using this equipment over that of the telephone companies?
>
> A. I think that's difficult to say. Our marketing people use anywhere from 10 to 25 percent. In some cases — in some areas, they don't save any, just we give them better service.

Q. Could you elaborate a little bit on that last part of your answer?

A. Well, some of the small hotel-motel facilities have old cord boards and the service on them is — takes a considerable amount of effort. and time on the part of the telephone company. They break down frequently and have problems. This particular technology is well suited to the hotel-motel market. We have very few failures. So, in that aspect, the fact that they can provide a piece of hardware that's a little more reliable and less service calls, on that alone, even though it may cost more than what the telephone company has offered."

Edwin Spievack, an attorney with the law firm of Coh & Marks, Washington, D.C. United States of America, who has been actively involved in the interconnect industry in competition in terminal telephone equipment in the United States for the last ten years, gave evidence on behalf of the Applicant. He testified that if the application was allowed there would be some savings involved. He testified on p. 143, 1. 15, Vol. II, 14 August 1979, and following, as follows:

"Q. What about, in your opinion, Mr. Spievack, would there likely to flow some savings to subscribers?

A. Yes, the nature of - first of all, there's several different levels of savings to subscribers. One, there's a benefit to the businessman, if he can control his own capital investment, as to timing, as to depreciation or amortization of those investments and then because he owns them, he can alternately one day stop paying for them when he has amortized his investment. So, there's a benefit that's directly related to that.

.... But, the greatest savings to us or the greatest benefit is, that he is going to control his own costs and what businessmen desperately need today and what makes competition attractive in terminal equipment is that it gives the businessmen the consumer of business communication service the ability to control his costs in communications more effectively than he has ever been able to do it

> before. As he deals exclusively with the Telephone Company, his cost is at the mercy, if you will, of the problems of the telephone company."

Ralph G. Green testified that his own experience in working with a privately owned system showed a substantial savings. He states on p. 159, 1. 12, Vol. II, 15 August 1979, as follows:

> "Q. What was your experience, then, with respect to savings?
>
> A. Well, of course, a manager's continued employment depends on a profit and loss statement and it was substantial, I would say, in our company, in most cases.
>
> In the telephone alone, was one area that I began to realize profits rather than a loss and I mean profits somewhere in the neighborhood of 60% as much, with telephone commissions, etc., and, of course, there's several reasons for that that I feel, as a general manager, that occurred. I was not happy with the telephone company as an operator, but of course that's immaterial at this time.
>
> The phone system had just seemed — we had more control of, as it relates to collecting revenues from the guests, message units, etc."

C. Raymond Kraus of Vinanova, Pennsylvania, U.S.A., founder and President of Consulting Communications Engineers, Inc., who had been employed with Bell Telephone Company in Pennsylvania for over thirty (30) years, testified on p. 268, Vol. II, 12 October 1979, that studies will show that in general a customer might save some money by going interconnect because of the existence of cross-subsidization in the telephone industry but overall economically, the thing is a disaster, from the standpoint of society.

5. THE AC-125 EQUIPMENT IS NOT AVAILABLE FROM ISLAND TEL.

It appears that the only evidence adduced by the Applicant on this matter was the following quotation from the evidence of Mr. Groom on p. 52, 1. 22, Vol. I, 14 August 1979. This is in response to a question asked by Counsel for the Commission.

"Q.	.... Now, in the application on page 6, paragraph 15, the Applicant further proposes to call evidence demonstrating that (a) the AC-125 equipment is not available from Island Telephone. You can not purchase similar equipment or get similar equipment from Island Telephone, as this PABX?
A.	Not that I know of, I don't think so. I would say, no. They haven't offered it."

The Applicant did not give any evidence in direct testimony that the Utility would not provide AC-125 equipment.

Ivan Duvar, Chairman of the Board and President of the Utility, testified with respect to the ability of Mr. Groom to get AC-125 equipment from the Utility. The following quotations from pp. 43-44, 1. 15-30, Vol. II, 30 November 1979 indicates the position of the Utility with respect to this matter:

"Q.	Sure, now, this OKI AC-125 that Mr. Groom has purchased or wants to install, it is not available from the Island Telephone Company, is it?
A.	No, as has been stated, of course, we don't — we supply service —
Q.	Right, I appreciate that.
A.	— And we try to select the most economic equipment and we did not standardize or select that particular piece of equipment.
Q.	Yes.
A.	But, when you say it's not available, I must indicate that should the OKI be the only and the best kind of equipment that a particular customer needed to meet a particular service need, we would consider supplying it on a special assembly basis and we would not — that's not to say that if somebody comes in and says, I want ordinary telephone service and I want an OKI, we'd say, sorry, we provide that with another piece of equipment, but if he came in and said, look, I got these special needs and we found an OKI would do it, on a special assembly basis — and I'm not sure whether everybody knows what that

means — but this is where the total costs are rated against the supplier wants, that particular need. We would give consideration if the OKI was the device that met that particular need, and the best one, as far as we were concerned.

Q. But your company has the equipment, now, that will provide the service —

A. Standard telephone service, yes.

Q. — that would be provided by an OKI?

A. Yes, to my knowledge, OKI wouldn't provide anything that our equipment won't provide."

6. SUCH EQUIPMENT WILL SERVE THE APPLICANT'S NEEDS MORE EFFECTIVELY THAN EQUIPMENT AVAILABLE FROM ISLAND TEL.

The Applicant does not appear to have given much evidence, if any, to establish that the OKI AC-125 equipment would serve its needs more effectively than the equipment available from the Utility.

Mr. Duvar was asked by Commission Counsel if he was in a position to comment whether or not the OKI AC-125 equipment could serve the Applicant's needs more effectively than equipment now available from the Utility and he replied as follows on p. 44, 1. 20, Vol. II, 30 November 1979:

"A. Well, I asked the engineering group, specifically, that question, after the Application. Was there anything that equipment would do that our equipment wouldn't do, and they came back and they said, no, and, in fact, apparently equipment that we would provide would offer more features and options than the OKI equipment could be. That's not to say the customer wants them but that there was nothing that they could see that that equipment could do any better or any different that the equipment — as a minimum — than the equipment that we currently offer."

Donald R. Livingstone, Vice-President and General Manager of the Utility, testified that the AC-125 equipment would not serve the Applicant's needs more effectively than equipment available from the Utility. His evidence on p. 200, 1. 10, Vol. II, 12 October 1979 of the transcript is as follows:

> "In regard to item 15(b) of the application which states that the AC-125 equipment will serve the Applicant's needs more effectively than equipment available from Island Tel, I must express my disagreements with this proposition.
>
> One of the pieces of PABX equipment currently associated with our system service offering is a Canadian-manufactured Mi-Tel SX-200, which we believe will provide equal, if not superior, telephone service compared to the AC-125 which is proposed by the Applicant."

7. THE CONNECTION OF THE AC-125 TO ISLAND TEL'S FACILITIES WILL NOT HARM ISLAND TEL ECONMICALLY.

Edwin Spievack, one of the Applicant's main witnesses on economic harm, stated on p. 125, 1. 20, Vol. II, 15 August 1979, that the purpose of his testimony was as follows:

> "Q. Mr. Spievack, what's the purpose of your testimony?
>
> A. The purpose of my testimony is to look at the proposal that was submitted by Island Telephone to Garden of the Gulf Motel and to make any anylysis of that proposal to determine whether or not in providing that system Island Telephone would make or lose money and then to generally testify to the question of the financial impact, financial or economic impact, if any, on the telephone company due to competitive interconnection or competitive private ownership of telephone terminal equipment."

Mr. Spievack prepared a cost study analysis on the installation of a PABX system by the Applicant. This cost study was tendered as Exhibit #10 and Mr. Spievack concluded that the Utility would save slightly over $10,000 by not making the installation. He stated that if the application was granted, it would not have a deterimental effect on the service now being rendered by the Utility but it would have a beneficial effect.

Mr. Spievack made several assumptions in preparing his cost study analysis and one assumption which he used was a seven (7) year service life for the equipment. Other witnesses testified that the service life for the equipment should be fourteen (14) years and Mr. Spievack commented on a fourteen (14) years life on p. 39, 1. 27, Vol. I, 11 October 1979 as follows:

> "Now, if you're going to use 14 years life, that makes all the difference in the world and, sure, the longer the life, the lower the rate, therefore, the likelihood is is if you're going to hold a piece of investment for 14 years, then Island Telephone isn't going to lose any money on it, but I think that's a very risky kind of decision for any business corporation to take in today's environment, technological environment."

Colin Latham, Plant Extension Engineer for the Utility and Maritime Telegraph and Telephone Company testified on behalf of the Utility. He used a discounted cash flow approach and stated that it was the most appropriate method of economic evaluation to use in this situation. Mr. Latham presented a comparison of Mr. Spievack's study and of the one presented on behalf of the Utility as Exhibit CL-5.

One of the factors which Mr. Latham used which varied from Mr. Spievack was the service life for the equipment. Mr. Latham stated on p. 114, 1. 15, Vol. I, 11 October 1979 as follows:

> "Q. That's the major point you referred to, in your initial overview, was the estimated life of the PABX equipment. Will you please proceed on this point?
>
> A. Yes, I will begin by mentioning that Mr. Spievack used an equipment life of 7 years and a location life of 5 years. I feel that for the PABX equipment and telephone sets, the life of 14 years is the only valid estimate to use and for the connection costs, the life of 10 years is the only valid estimate to use."

Mr. Latham presented evidence to establish that if he made two changes to Mr. Spievack's cost study, namely: a corrected discounted cash flow annalysis and 14 years life estimation, then the net present value was $3,661 as compared with Mr. Spievack's figure of minus $10,034. When Mr. Latham introduced all the differences he felt should be introduced he came up with a net present value of plus $10,041 as compared with Mr. Spievack's net present value of minus $10,034.

Mr. Latham testified on p. 120, 1. 25, Vol. I, 11 October 1979 as follows:

"Q. Obviously, Mr. Latham, from those two figures, there's $20,000 in the difference, is that correct?

A. That's correct.

Q. Would you summarize your economic review of the studies of this installation?

A. Yes, in summary form, I've tried to show, firstly, that the economic penalty of minus $10,034 identified by Mr. Spievack can be reduced to a penalty of minus $2,436 by applying current economic methodology. This methodology truly reflects the impact on the operations of the company and is widely accepted throughout Canada by both telephone companies and regulators.

Secondly, the economic penalty of minus $2,436 is, in fact, a benefit of plus $3,661, if only one of Mr. Spievack's parameters is revised; namely, that of equipment life, to reflect actual conditions. We think this is the only valid figure to use as this life estimate is built into current revenue requirement and depreciation rates approved by the Public Utilities Commission.

Thirdly, the economic benefit can be further revised to an amount of $10,041 when several other parameters are modified to reflect actual conditions that apply to the Island Telephone Company. Thus — I'd just like to point out that my argument is, in fact, made up of three pieces. One-third of the change in my figures is due to the economic penalty; one-third — sorry, the economic methodology; one-third is due to the change in life estimation, and one-third in changing all the other small changes."

Ronald K. House, Ph. D., Department of Economics, York University, Toronto, Ontario and President of R. K. House and Associates Ltd., a group of consulting economists, also testified on behalf of the Utility. Dr. House has had considerable experience in dealing with financial matters of regulated industries. In 1972 he was retained as a consultant by the Canadian Transport Commission and was made Vice-Chairman of the inquiry into telecommunications carriers and cost accounting procedures. He stated that under the authority of the inquiry he developed an intimate familiarity with the costing procedures of the major telecommunications carriers.

Dr. House stated on p. 129, 1. 23, Vol. II, 12 October 1979 that the purpose of his testimony was as follows:

> "I intend to identify and describe appropriate procedures to the economic evaluation of proposed services and to comment on the economic evaluation studies prepared by Mr. Spievack and Mr. Latham."

Dr. House commented on Mr. Spievack's cost study on p. 137, 1. 25, Vol. II, 12 October 1979 as follows:

> "Q. Have you studied the PABX cost study which Mr. Spievack has submitted to the Commission?
>
> A. Yes, sir, I have.
>
> Q. Does his study conform to sound, recognized economic evaluation principles and do you recommend his findings to the Commission?
>
> A. Mr. Spievack's approach does not conform to sound, economic evaluation principles and I could not recommend his approach to the Commission."

Dr. House continued to explain that Mr. Spievack's approach was not a true discounted cash flow model or analysis but rather an average annual year approach.

Dr. House then commented on Mr. Latham's study and stated on p. 146, 1. 20, Vol. II, 12 October 1979 that he approved of the methodological approach adopted by Mr. Latham.

The Applicant called Marvin Kahn, Ph.D., a Senior Economist with J. W. Wilson & Associates Inc. of Washington, D.C., U.S.A. to give rebuttal evidence with respect to the methodology used in calculating the net present value and whether the Utility's use of it was appropriate in the circumstances.

Dr. Kahn has been engaged in cost and rate analysis pertaining to energy and telephone utilities in the United States.

Dr. Kahn disagreed with the methodology applied by the Utility in that it "simply asked the wrong question". He testified that the methodology of Mr. Latham was deficient because it examined only one unit as if it were the sole enterprise being put into operation with no other system service being offered.

8. THE CONNECTION OF THE AC-125 DOES NOT ANY THREAT OF TECHNICAL HARM TO ISLAND TEL'S FACILITIES.

Harold Richard Weise testified that in his experience there has not been any reported incidents of harm to the telephone company since the introduction of the PABX AC-125 switch on the market.

He further testified on p. 94, 1. 20, Vol. I, 14 August 1979 as follows:

> "Q. All right, in the past couple of years, the major part of these 400 sales as you referred to, or so, have been made, what in fact has been your repair experience and has there been any indication that this has been — the installation of these products have been detrimental to the service being rendered by telephone companies?
>
> A. We haven't had any reported troubles back about detrimental service, an electrical type of environment with lines going, trunks going to and from the telephone company. Our reported problems that we get back, we had between 20 and 25 power supplies returned and there have been no other parts returned for repairs, out of the 400 installed systems. There hasn't been anything else.
>
> Scales. One other question there.
>
> Chairman. Are you done on re-direct?
>
> Q. Just to make sure that I got — the point that I wanted to make — has there been any indication coming back to you as a result of supplying this product to users and from the repair experience that the installation, and use of that piece of equipment has been detrimental to the service being rendered by telephone companies?
>
> A. Absolutely not."

John Bakas also testified on behalf of the Applicant with respect to harm to the telephone company. He testified on p. 96, 1. 30, Vol. I, 14 August 1979 as follows:

> "Q. What, if any, technical problems have you experienced in connection with the installation of those items?

A. We have had some minor problems with power supplies?

Q. Pardon me?

A. We've had some minor problems with power supplies?

Q. In your experience, has there been any detrimental effect on the service being provided by the telephone company involved?

A. We have had no reports."

Mr. Spievack was questioned by the Chairman with respect to the possibility of harm to the telephone company and Mr. Spievack replied that the original connecting arrangement requirement has been supplanted by a registration program which protects the integrity of the network.

C. Raymond Kraus was the Utility's main witness on this subject. He stated that the main purpose of his evidence was to try to prevent the experience which he had secured from 10 years of work in the United States in connection with the effect of interconnect on the quality of telephone service. Mr. Kraus testified that the main problem with interconnect is the divided responsibility for over-all service.

Mr. Kraus testified on p. 263, 1. 24, Vol. II, 12 October 1979 as follows:

"Q. Do you have anything to say with respect to interconnect causing a transmission problem?

A. Yes, it so happens when the registration which we have in the United States — there is no control, whatsoever, over the quality of the, or volume of transmission. The customer may buy as poor equipment as he can buy and it may have — distort the voice, may have noise, it may have low volume, but the registration of this equipment does not control the quality of the telephone or control the fact that there should be absence of noise ....."

Mr. Kraus went on to testify about the registration system in the United States. He stated that registration prevents the applications of high voltages to the telephone plant from the interconnect user and it prevents the application of high volumes of sound so that, otherwise, there might be cross-talk from one pair to another. He also stated that it does not ensure adequate manufacture, it does not ensure adequate engineering, it does not ensure adequate installation and it has nothing to do with maintenance.

Mr. Kraus stated that interconnect is a complete and absolutely impregnable barrier to the telephone company moving ahead in the next twenty years. He further testified as to some of the ways that interconnect causes harm to a telephone network and stated that what you're going to get under interconnect are disasters.

He stated on p. 286, 1. 10, Vol. II, 12 October 1979 as follows:

> "Q. In your opinion, Mr. Kraus, should this amount of equipment in so many different hands, distributed throughout such an area, and bothering the telephone system, be owned and maintained by so many different people outside of the telephone companies itself?
>
> A. Well, I say that no part of this enormous and miraculous distributed computer called the telephone system should be owned by anybody outside of the telephone companies.
>
> Q. In your opinion, is it in the public interest?
>
> A. I'd say that, just because it was concocted by the lawyers in Washington and approved by the lawyers in the Supreme Court, doesn't make it morally right, economically sound, or in the public interest."

Ivan E.H. Duvar also testified on behalf of the Utility with respect to the problem of harm to the Utility's facilities if the application was granted. Mr. Duvar gave extensive evidence about the quality of overall telephone service and how this quality can best be maintained if the Utility has complete control over ownership and installation of all equipment.

He was asked if the installation of the OKI AC-125 by the Applicant would pose any threat of technical harm to the Utility's facilities, as follows on p. 46, 1. 17, Vol. II, 30 November 1979:

> "Q. Right, now, do you know if the application was granted and the OKI AC-125 was, in fact, installed, would that installation pose any threat of technical harm to the Island Telephone Company's facilities?

> A. If you're speaking of technical harm, and that is a physical, or electrical or technical harm to the actual network, assuming that the FCC certification does protect the network — and I assume it does, I assume there was enough telephone company input into that certification process, and assuming that the OKI does have — and I think it was testified that that OKI does have an FCC certification — I would have to say, no, we wouldn't expect it to physically harm the network, or any of our people."

The applicant called Kenneth Kasner, Director of Marketing with OKI Electronics, to give reply evidence on the issue of divided responsibility. He testified that it is a very clear cut demarkation as to where the responsibility lies and one that any consumer can understand.

Counsel for the Applicant stated in his brief that the only issue is whether the granting of this application permitting the Applicant to attach terminal equipment to the Utility's facilities is detrimental to the service offered by the Utility. He further stated that the evidence clearly indicated that detriment falls into one of two categories: technical harm or economic harm. It may be that detriment falls into one of the two categories indicated but the Commission is of the opinion that there are many more issues involved in this application than the one of detriment to the Utility.

As has already been stated, the Applicant brought its application under the provisions of S. 33(2) of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Cap. E-3 and Section G-1, Sheet 4 of **The General Tariff** of The Island Telephone Company Limited and it certainly did not restrict itself to just the one issue of detriment.

Counsel for the Applicant did not cite any authorities in support of its application in his Brief and his Reply Briefs states that the application is not a precedent for interconnection. He states that a number of cases have already been decided by the C.R.T.C. (Canadian Radio-Television and Telecommunications Commission) permitting customers to attach their own equipment to Bell Canada's facilities and he cited the C.R.T.C. decision regarding **Challenge Communications** and the approval of that decision by the Federal Court of Appel **Re Bell Canada and Challenge Communications Limited,** [1979] 1 F.C. 857.

One of the first Canadian cases dealing with the regulations made by the Board of Transport Commissioners concerning the use of equipment not provided by the telephone company was **United Sterl-A-Fone Corporation Limited v. The Bell Telephone Company of Canada** [1955] O.R. 1 (Ont. Sup. Ct.).

United Sterl-A-Fone Corporation Limited was the manufacturer of an instrument known as the "sterl-a-fone". This instrument was designed to destroy harmful germs and bacterial that are transmitted by means of telephone instruments from one user to another. The company claimed that Bell Telephone Company objected to the use of such an instrument with the telephone as it contravened the terms of the contract between Bell Telephone Company and the subscribers, which contract was subject to the regulations as approved by the Board of Transport Commissioners.

The Bell Telephone Company agreed that the instrument was contrary to the regulation which provided that: "The Company's equipment and wiring shall not be re-arranged, disconnected, removed or otherwise interfered with, nor shall any equipment, apparatus, circuit or device which is not provided by the Company be connected with, physically associated with, attached to or used so as to operate in conjunction with the Company's equipment or wiring in any way, whether physically, by induction or otherwise, except where specified in the Tariffs of the Company or by special agreement."

Mr. Justice Smily held that the instrument in question was in contravention of the agreement and regulations referred to and could not be used.

A year later a decision was given by the United States Court of Appeals, District of Columbia Circuit, in the case **Hush-A-Phone Corporation and Harry C. Tuttle v. United States of America and Federal Communications Commission and American Telephone and Telegraph Company et al and United States Independent Telephones Association** (1956) 238 F 2d 266 (U.S. Ct. of Appeals, Dist. of Columbia Circuit).

Hush-A-Phone manufactured and sold a device which snapped on to a telephone instrument which made for privacy of conversation, office quiet and a quiet telephone circuit. The telephone companies had tariffs which forbid attachment to the telephone of any device not furnished by the telephone company. A complaint was filed with the Federal Communications Commission demanding that the Commission order the telephone companies to discontinue the interferences with

Hush-A-Phone distribution and use and to amend the foreign attachment provisions of their tariffs to permit the use of Hush-A-Phones. The Commission held that the use of Hush-A-Phones impaired telephone service. The Court of Appeals revised the Commission's decision and held that the tariffs are an unwarranted interference with the telephone subscriber's right reasonably to use his telephone in ways which are privately beneficial without being publicly detrimental.

These two cases did not deal with ownership of terminal equipment, but merely attachments to be added to terminal equipment, and therefore, are not pertinent to this Applicant's application.

Bell Canada's tariff regarding automatic mobile telephone service, which enable motor vehicles occupants to telephone without operator assistance came under attack in the case **Challenge Communications Limited** v. **Bell Canada** [1978] 22 N.R. 1 (Federal Ct. of Appeal).

Challenge Communications Limited applied to the Canadian Radio-Television and Telecommunications Commission (C.R.T.C.) challenging the tariff of Bell Canada respecting its Automatic Mobile Telephone Service. In 1977 Bell Canada had its tariff revised to provide for automatic mobile telephone service. The terms of the tariff included the right of Bell Canada to be the sole supplier of the equipment on a rental basis only.

The C.R.T.C. allowed the application of Challenge Communications and found that the Bell Canada tariff was discriminatory against Challenge Communications contrary to S. 321(2) (a) of the Railway Acts, R.S.C. 1970, Cap. R-2. The C.R.T.C. ordered Bell Canada to provide specifications for automatic mobile telephone service equipment; which would be compatible with the Bell Canada telephone system, to enable competitors such as Challenge Communications to manufacture and sell such equipment. Bell Canada appealed.

Prior to the 1977 tariff revision the customer could own his own Manual Mobile Radio Equipment in his motor vehicle and he could obtain this equipment from any supplier. The new tariff approved in 1977 gave Bell Canada the exclusive right to supply Automatic Mobile Telephone Service on a rental basis only and the Manual Mobile Radio Service was offered on the same basis as before.

Challenge Communications Limited specialized in the provision and servicing of Customer Owned and Maintained

Equipment and in 1977 the majority of customers using Manual Mobile Radio Equipment were Customer Owned and Maintained.

Challenge Communciations Limited challenged the amended tariff alleging, inter alia, that it was unjustly discriminatory and that Bell Canada had thereby created an undue preference or advantage in its favour and that such action by Bell Canada was contrary to S. 321 of the Railway Act.

Sections 321(1) and (2) of the Railway Act reads as follows:

> "321(1) All tolls shall be just and reasonable and shall always, under substantially similar circumstances and conditions with respect to all traffic of the same description carried over the same route, be charged equally to all persons at the same rate.
>
> (2) A company shall not, in respect of tolls or any services or facilities provided by the company as a telegraphy or telephone company,
>
> (a) make any unjust discrimination against any person or company;
>
> (b) make or give any undue or unreasonable preference or advantage to or in favour of any particular person or company or any particular description of traffic, in any respect whatever; or
>
> (c) subject any particular person or company or any particular description of traffic to any undue or unreasonable prejudice or disadvantage, in any respect whatever;
>
> and where it is shown that the company makes any discrimination or gives any preference or advantage, the burden of proving that the discrimination is not unjust or that the preference is not undue or unreasonable lies upon the company."

Bell Canada argued that the C.R.T.C. erred in law in holding that the provisions of S. 321 of the Railway Act took precedence over the provisions of Rules 7 and 9 of Bell Canada's General Regulations.

Mr. Justice Heald held that the General Regulations and Rules are not intended to have paramountcy over such substantial provisions of the Railway Act as Section 321 when considering the tariffs of Bell Canada.

Mr. Justice Heald dealt with other issues in the appeal and dismissed the appeal and upheld the decision of the C.R.T.C.

Leave to appeal to the Supreme Court of Canada was dismissed by the Supreme Court of Canada.

Another Canadian case is the decision of the Supreme Court of Canada in **Harding Communications Ltd. et al v. Bell Telephone Company of Canada** (1978) 24 N.R. 245 (Sup. Ct. Can.).

The decision in this case had to do with the jurisdiction of the Quebec Superior Court and does not deal with the issues of interconnection.

The question of interconnection was decided in the United States in what has become known as the **Carterphone** case - **Re Use of Carterfone in Message Toll Telephone Service** [1969] P.U.R. 3d 417 (F.C.C.).

The Federal Communications Commission held that the American Telephone and Telegraph Company tariff was unreasonable in that it prohibited the use of interconnecting devices which do not adversely affect the telephone system.

To the Commission's knowledge, there are no decisions in Canada at the present time dealing directly with the issue raised in this Application. Bell Canada made an application to the Canadian Radio-Television and Telecommunications Commission in November, 1979 to have the broad question of possible liberalization of the rules regarding the connection of terminal devices, and network addressing terminal devices, to Bell Canada's facilities discussed and for a determination whether such liberalization is in the public interest and if such liberalization should be allowed, but no decision has been rendered to date.

The Commission is of the opinion that in order to ensure that the public interest in terms of telephone service and the integrity of the telephone system are protected, a number of important issues are involved. Some of the more important issues are: the availability of repair and maintenance facilities, the question of divided responsibility in the design, operation and maintenance of the telephone system, the development of technical standards, technological sovereignty and detriment to the telephone system.

The Commission finds that the Applicant did not adequately demonstrate the availability of a repair and maintenance facility that would be essential if the Application was granted. It is true that the R.C.A. Corporation appears to be closely associated in the United States with the maintenance of the OKI PABX AC-125 but, as stated above, Don Rouleau of R.C.A. Limited of Montreal testified that if Prince Edward Island was the only province in Canada that allowed customer terminal service connections, it would not be feasible for R.C.A. in Montreal to provide service for the people of Prince Edward Island. Robert Lunn testified that his Company would provide the necessary repair and maintenance facilities, but the Commission is of the opinion that his evidence fell short of establishing that his Company does in fact have the necessary technical expertise to provide maintenance and repair facilities to the level required for the proper operation of a telephone system.

C. Raymond Kraus testified that if individuals want to own their own equipment, then the ideal situation is to have it integrated technologically and maintenance-wise and operation-wise with the telephone company.

Mr. Kraus further testified that divided responsibility was the main problem in the United States with respect to interconnection. It is the opinion of the Commission that this divided responsibility would result in higher costs to the customers, along with the other problems inherent in implementing an appropriate certification program and the development of proper technical standards.

It is the further opinion of the Commission pursuant to S. 1(d) of the **Electric Power and Telephone Act**, R.S.P.E.I. 1974, Chapter E-3 and amendments thereto, that the Applicant would become a public utility if the application was granted and therefore would fall under the jurisdiction of the Commission. The Commission would therefore be entrusted with the supervision of possibly many new such facilities combined in association with the present telephone system in order to maintain a standard of performance at least equivalent to that existing.

In the Commission's opinion, the concern of the legislature of this province with the existence of a standardized telephone system is apparent from the wording of S. 3 of the above Act, which requires the prior approval of the Commission as to the installation of equipment which is "not of a uniform design and the product of a standard manufacturer".

The Commission must also bear in mind that the equipment proposed is of foreign manufacture (although assembled in the United States), and if international hostilities reduced or brought about a complete lack of spare parts, then those larger customers in areas of greater population would get the benefit of such stocks as would still exist. This would leave customers in areas such as this faced with changing equipment or having "make-do" modifications carried out.

Also, in the event of a considerable number of customer-owned attachments of different manufacture to the present telephone system, in our opinion the duties of the Commission in ensuring in the public interest the provisions of adequate telephone service would be very significantly increased and at additional expense by the then required inclusion of extra technical and administrative personnel to our staff as well as other facilities for the general supervision of all the interconnected services. These certain increases in our cost of operation would have to be recovered from the telephone users of this province. If levied on the new PABX installations only, it is quite probable that any financial advantages that may accrue to their owners (which is somewhat uncertain according to the evidence), would at least offset. If levied on the telephone utility, the increases would be reflected in increased rates to all subscribers to whom no advantage has resulted because of the addition of the privately-owned equipment.

A further consideration is that in the event of non-proper operation of interconnected equipment, the Utility would be left in the intolerable position of being, in the view of the public it serves, responsible for repeated failures either totally, or in the quality of the transmission of telephone messages, by reason of the addition to its system of devices that it does not own, maintain or control.

Accordingly, in the Commission's opinion, individual ownership of PABX equipment has at least the foregoing almost certain disadvantages to the public in general. Reliable service to the public at reasonable minimum cost is, in our opinion, of principal concern and paramount to individual preferences for certain equipment which, according to the present Utility spokesmen, offers no advantages over that now available.

The Commission has had experience over the years with many small telephone systems which existed in this Province prior to their take over by the Utility. The whole experience during their existence was a mixture of good and poor equipment with little or no maintenance. This resulted in continuous complaints from customers of both the utility and the connecting facility concerning poor or non-existing service. Donald R. Livingstone testified of some of the problems that occurred when these companies were in existence. It is the opinion of the Commission that a reoccurance of some of these old problems could very well take place, as well as others, in that the system proposed by the Applicant (and very probably others of similar nature that would follow) would be individually owned, located on private property, and would have no in-house maintenance personnel. As stated, the allowing of such a system would thrust upon the Commission the expensive responsibility of ensuring the proper and orderly functioning of a communications system which would no longer be unified as to ownership, maintenance, standards or the introduction of new technology. The Commission is of the opinion that the "impregnable barrier" referred to by Mr. Kraus must not be allowed to develop in the telephone industry.

In consideration of the foregoing, the Commission finds that the granting of the Application at this time would be detrimental to the service being rendered by the Utility. The Commission accepts the evidence of Colin Latham and Dr. R. K. House with respect to the economic evaluation methodology and their conclusions that if the Utility were to lose PABX subscribers because of interconnection, then the Utility would lose revenue and would have to adjust its other rates upward to compensate for this loss. In light of the present and anticipated economic climate, the Commission is persuaded that if rates for PABX and other customer-owned equipment came down, rates for other subscribers would have to go up. Any increase in the average customer's cost would ultimately result in the loss of subscribers. Therefore, a less effective communications system would exist. This contravenes one of the Commission's principal concerns of "the greatest good to the greatest number", which of course results in cross-subsidization, which is one of the principal elements in Public Utility rate making. Who would say that urban rate structures on electric or water utilities should not subsidize rural or remote areas? Mr. Kraus, in response to a statement from the Commission that the policy of cross-subsidization has been recognized in the telephone industry for a long time, testified that over all, economically, the thing (i.e. interconnection) is a disaster from the standpoint of society.

Without wishing to frustrate individual preferences, it is our considered opinion that should the functioning of the telephone system as a whole suffer as a result of connections of a wide variety of equipment of various quality and manufacture, then individual interests would have to give way to the principle of general public advantage of a unified system, as at present. We are accordingly reluctant to disturb, without considerably more justification than in our opinion was presented in this application, what we consider to be an efficient, adequate and well maintained public utility now in operation.

In our opinion, "public convenience and necessity" would not be enhanced by the addition of privately-owned telephone equipment to the existing telephone network, nor is such equipment necessary for the proper transmission of telephone messages.

The Commission therefore denies the application of the Applicant and makes no order with respect to costs.

DATED at CHARLOTTETOWN this 23rd day of JULY, A.D., 1980.

W. R. BRENNAN
CHAIRMAN

G.J. FERGUSON
SECRETARY

T.E. HICKEY
COMMISSIONER

On 20 August 1980, the Commission was advised that a copy of a "Notice of Appeal" dated 11 August 1980 had been filed on behalf of Garden of the Gulf Court and Motel Inc. relative to this Decision. Appeal hearing date was set for 16 February 1981, but no decision of the Supreme Court — In Banco has been rendered as of this date.

General Tariff Revision

On 15 October 1980, the Commission convened a public hearing for the purpose of hearing an application by Island Telephone Company Limited for revisions to its General Tariff. There were no interveners wishing to participate, and the hearing concluded on 16 October 1980, with the matter to be taken under advisement. The Commission rendered its Decision in this regard on 19 December 1980, which Decision is as follows:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of The Public Utilities Commission Act and The Electric Power and Telephone Act

and

IN THE MATTER of an Application of Island Telephone Company Limited for approval of certain revisions to its General Tariff.

DECISION

This matter came on for Public Hearing at 10 A.M. on the 15th day of October 1980 in the Board Room on the 5th Floor of the Confederation Court Office Tower, 134 Kent Street, Charlottetown pursuant to public notice in the Guardian-Patriot on 15 September 1980 and 6 October 1980. In addition to the members of the Commission, Mr. R. W. Manning, F.C.A., acting as financial advisor to the Commission, was in attendance. The hearing continued throughout the day of 15 October 1980 and was reconvened at 10 a.m. on 16 October 1980. The hearing concluded at noon on the 16th of October.

The Island Telephone Company, Limited was represented by Mr. A. K. Scales, Q.C. Evidence on behalf of the Company was given by the following witnesses:

Mr. D. R. Livingstone, Vice-President & General Manager
Mr. E. J. Hicks, Vice-President (Finance) & Director
Mr. Derek H. L. Buntain, Vice-President, Investment Banking Dept., Merrill Lynch, Royal Securities Ltd.
Mr. Philip G. Henderson, P. Eng., General Corporate Development Manager, M.T.&T.
Mr. I.E.H. Duvar, President & Chairman of the Board

The public was not represented at this hearing other than through the attendance of several members of the local press.

A particularly well documented case was presented by the Applicant, and the Commission is grateful for the written evidence filed by witnesses for the Company.

The Company, in presenting its evidence, forecast a decline in earnings of some 9.5% in 1981 from the year 1980. Most of the proposed capital expenditures, representing about 85% of the cost, are required to meet new demands for service by the customers.

It is the opinion of the Commission that in order to obtain capital for expansion, the Island Telephone Company Limited must be able to show prospective investors a record of satisfactory earnings, which in turn should create a market price for share offerings that are close to book value, so that the value of the holdings of existing shareholders are not diluted. Being the smallest by far of the major telephone, as well as of all principal utilities in Canada, the Island Telephone Company Limited is often at a competitive disadvantage in marketing its shares.

It is noted from the exhibits filed at the hearing that improvements have been made by the Company in its financial position. For all practical purposes, the 6-point modernization program proposed at the time of the 1974 rate hearing has been completed.

During the course of the hearing, Mr. Hicks indicated plans for some changes in the accounting policies of the Company commencing 1 July 1981, as follows:

(a) Expensing instead of capitalizing certain portions of executive, accounting, treasury and general office salaries.

(b) Expensing instead of capitalizing certain portions of engineering labour costs related to such unclassified activities as training, reading technical journals, etc.

These costs need not be capitalized for income tax purposes and these accounting procedures are becoming standard practice in the telephone industry in Canada. They do not change actual costs, only the timing of the revenue required to match them, and the Commission hereby approves these proposed changes in accounting policy.

In taking under consideration the various aspects of the presentations put before us by the Applicant and in giving consideration to the existing General Tariff of the Island Telephone Company Limited, the Commission is of the opinion that the application as submitted should be approved with certain revisions, which revisions would not materially affect the rate of return and which could conceivably have other beneficial effects on the Utility. It is therefore the decision of the Commission that the following revisions in the rates and charges proposed in the General Tariff application be carried out:

1. The monthly charge of 25¢ for coloured telephone sets is to be eliminated.
2. The basic exchange rates for the various subscribers in both the business and residential classifications are to be reduced by 10¢ per month.
3. The basic exchange rates for two-party service in both business and residential classifications are to be at a rate midway between one-party service and four-party service to the nearest 5¢.

The one item which is undoubtedly the most important to be considered in this decision is that of the rate of return to be allowed the Utility. Island Tel. has steadily increased its earnings per share, which it must do in order to compete in the market for capital and to level out the inflationary impact. It should be noted that the Applicant's independent expert witness on financing, Mr. D. H. L. Butain, Vice-President for Underwriting at Merill Lynch, Royal Securities Ltd., testified that in his opinion a rate of return on common equity of 15% is the minimum required by Island Tel.

In view of both its special circumstances and investor expectations in the present economy, Mr. E. J. Hicks, Vice-President (Finance) of Island Tel uses 15% on common equity in his testimony. We are inclined to view 15% as a maximum rate rather than a minimum, or at the most 15¼%. We are thinking here of the progress Island Tel has made in the last few years.

IT IS THEREFORE ORDERED that the General Tariff of the Island Telephone Company Limited be amended effective 1 January 1981 in accordance with the revisions set forth in this Decision.

AND IT IS FURTHER ORDERED that the rate of return on the Earnings Base of Island Telephone Company Limited shall be fixed at 10¼%, with an allowable range of ¼% in either direction producing a rate of return on Common Equity of 14¾% with a range of ½% in either direction.

DATED AT CHARLOTTETOWN this 19th day of DECEMBER, A.D., 1980.

W.R. Brennan
CHAIRMAN

G. J. Ferguson
SECRETARY

T. E. Hickey
COMMISSIONER

The Tariff approved by this Decision, effective 1 January 1981 together with revisions to 31 March 1981, follows:

The Island Telephone Company, Limited

GENERAL TARIFF

CONTAINING
GENERAL REGULATIONS AND TARIFFS
FOR
EXCHANGE SERVICE
MESSAGE TOLL SERVICE
OTHER SERVICES AND EQUIPMENT

Island
Tel

THIS TARIFF SPECIFIES THE RATES, TOLLS, CHARGES AND REGULATIONS APPLICABLE TO SERVICE AND EQUIPMENT FURNISHED BY THE COMPANY.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

CONTENTS

G—1 GENERAL REGULATIONS
D—1 DEFINITIONS

EXCHANGE SERVICE

E—1 RESERVED
E—2 RESERVED
E—3 CLASSIFICATION OF EXCHANGES
E—4 EXCHANGE AREAS
E—5 EXCHANGE SERVICE RATES
E—6 MINIMUM SERVICE PERIODS AND TERMINATION OF SERVICE
E—7 SERVICE REQUEST CHARGES
E—8 RESERVED
E—9 TEMPORARY DISCONTINUANCE OF SERVICE
E—10 RESERVED
E—11 MILEAGE REGULATIONS AND RATES
E—12 RESERVED
E—13 PUBLIC AND SEMI-PUBLIC TELEPHONE SERVICE
E—14 MISCELLANEOUS EQUIPMENT
E—15 EXTENSION TELEPHONES
E—16 SYSTEM SERVICE
E—17 HOTEL SYSTEM SERVICE
E—18 TELEPHONE ANSWERING SERVICE
E—19 RESERVED
E—20 JOINT USER SERVICE
E—21 RESERVED
E—22 FOREIGN EXCHANGE SERVICE
E—23 DIRECTORIES AND LISTINGS
E—24 EXTRA CONSTRUCTION CHARGES
E—25 RESERVED
E—26 RENTAL OF POLE SPACE
E—27 DUPLICATE SERVICE
E—28 LOCAL CONFERENCE SERVICE
E—29 MOBILE TELEPHONE SERVICE

TOLL SERVICE

T—1 LONG DISTANCE SERVICE
T—2 INTEREXCHANGE CONFERENCE SERVICE
T—3 ZENITH SERVICE

THE ISLAND TEL. CO. LTD. **Index**
GENERAL TARIFF **Sheet 1**

INDEX

	Section	Sheet	Item
Alterations to a Subscriber's Payment	G—1	5	50.5
Acquisition Liability	G—1	5	50.3
Application for Service	G—1	1	20
Attachments to Poles	E—26	1	890
Attendant's Telephones	E—14	4	610.2
Automatic Answering Equipment	E—14	1	530
Automatic Answering and Recording Equipment	E—14	1	540
Automatic Dialing Equipment	E—14	2	550
Base Rate Area	E—4	1	220
Basic Exchange Service	E—4	2	230
Bells	E—14	2	570
Bold Type Listings	E—23	2	810.3
Booths	E—14	2	560
Business Service	G—1	1	30.1
Classes of Service	G—1	1	30
Classification of Exchanges	E—3	1	170
Circuit Closing Device	E—14	3	580
Conference Service, Local	E—28	1	910
Contempra Telephone	E—14	4	610.3
Construction Charges	E—24	1	860
Contracts — Initial Service Periods	E—6	1	290
Cords	E—14	3	590
Damage to Equipment and Wiring	G—1	5	50.4
Damage to Subscriber's Property	G—1	7	80.1
Decorator Telephones	E—14	4	610.4
Definitions	G—1	1	10
Deposits	G—1	6	60.2
Designated Four-Party Exchanges	E—3	2	190
Directories	E—23	1	800
Directory Assistance Charge	E—23	4	850
Directory Listings	E—23	1	810
Disconnection for Non-Payment	G—1	8	90
Disconnection of Service	G—1	8	90
Discontinuance of Service Temporary	E—9	1	400
Disputes	G—1	9	130
Duplicate Service	E—27	1	900
Employees' Concession Service	G—1	9	140
Ericofon	E—14	4	610.5
Exchange Areas	E—4	1	200
Exchange Classifications	E—3	2	190
Exchange Line Mileage	E—11	1	440
Exchange Service Rates	E—5	1	280
Exclusion Telephone	E—14	4	610.6
Extended Area Service	E—4	2	250
Extension Bells	E—14	2	570
Extension Line Mileage	E—11	2	460
Extension Telephones	E—15	1	650
Extra Construction Charges	E—24	1	860
Extra Listings	E—23	2	810.2

THE ISLAND TEL. CO. LTD. Index
GENERAL TARIFF Sheet 2

INDEX (Cont'd)

	Section	Sheet	Item
Foreign Exchange Line Mileage	E—11	2	470
Foreign Exchange Service	E—22	1	780
Foreign Attachments	G—1	4	40.3
General Regulations	G—1	1	20
Hotel System Service	E—17	1	730
Inter-Exchange Conference Service	T—2	1	1100
Inter-Exchange Private Line Mileage	E—11	2	480
Interrupted Service	G—1	7	80.2
Jack and Plug Equipment	E—14	3	600
Joint User Service	E—20	1	770
Limitation of Company Liability	G—1	7	80
Listings	E—23	1	810
List of Exchanges	E—3	2	190
Local Conference Service	E—28	1	910
Local Exchange Service Rates	E—5	1	280
Locality Base Rate Area	E—4	1	220
Long Distance Service	T—1	1	970
Long Distance Service — Rate Schedule	T—1	4	1040
Main Base Rate Area	E—4	1	220
Maintenance and Repairs	G—1	5	80
Mileage Regulations and Rates	E—11	1	430
Minimum Service Periods	E—6	1	290
Miscellaneous Equipment	E—14	1	520
Mobile Telephone Service	E—29	1	930
Non-Listed Service	E—23	3	830.2
Non-Published Service	E—23	3	830.1
Omission of Listings	E—23	3	830
Outside Telephone	E—14	5	610.7
Payment of Service	G—1	5	60
Pensioned Employees' Concession Service	G—1	9	150
Pole Line Attachments	E—26	1	890
Princess Telephone	E—14	5	610.8
Private Line Telephones	E—14	5	610.9
Private Property, Construction on	E—24	1	870
Private Property Mileage	E—11	3	490
Public Telephone Service	E—13	1	500

THE ISLAND TEL. CO. LTD. **Index**
GENERAL TARIFF **Sheet 3**

I N D E X (Cont'd)

	Section	Sheet	Item
Rental of Pole Space	E—26	1	890
Residence Service	G—1	2	30.2
Semi-Public Telephone Service	E—13	2	510
Service Request Charge	E—7	1	350
Short Term Service	E—6	2	330
Speakerphones	E—14	5	610.10
Special Assembiles of Equipment	E—14	1	520
Special Finish of Equipment	E—14	1	520
Subscriber Liability	G—1	4	50
System Service	E—16	1	680
Telephone Answering Service	E—18	1	750
Telephone Sets	E—14	3	610
Temporary Discontinuance of Service	E—9	1	400
Telephone Numbers	G—1	8	100
Termination of Service	E—6	2	340
Three-line Telephones	E—14	6	610.12
Touch Tone Service	E—14	6	620
Two-line Telephones	E—14	5	610.11
Use of Party Line Service	G—1	4	40.2
Use of Subscriber Service	G—1	3	40
Violation of Regulations	G—1	10	160
Visual Signals	E—14	7	630
Voice Recording Connector Equipment	E—14	7	640
Volume Control Telephones	E—14	6	610.13
Zenith Service	T—3	1	1200

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section D-1
Sheet 1

DEFINITIONS

Item

10. **AIRLINE** — A straight line method of measurement.

BASE RATE AREA — That part or parts of Exchange Area which includes the densely settled and developed sections, and in which service is provided without a mileage charge.

CENTRAL OFFICE — The switching equipment required to provide service to a Central Office District.

CENTRAL OFFICE DISTRICT — The area served by a Central Office and connected with it by exchange lines. A Central Office District may be all or part of an Exchange Area.

CIRCUIT — A channel for the conveyance of telephone messages.

EXCHANGE LINE — A circuit over which service is provided to one or more subscribers.

EXTENSION LINE — A circuit connecting an extension telephone with a main telephone.

PRIVATE LINE — A circuit connecting two or more private line telephones or two System Services and having no connection to the Exchange Network.

COMMISSION — Public Utilities Commission of Prince Edward Island.

COMPANY — The Island Telephone Company, Limited

EQUIVALENT SERVICE — Two or more central-office lines provided for a subscriber at one location and arranged so that an incoming call for the telephone number listed for the group of lines is routed to an idle line in the group, if one is available.

EXCHANGE AREA — A defined district or territory to all points of which service is provided on a flat rate or measured rate basis.

EXCHANGE LINE — See "Circuit"

EXTENSION BELL — A bell distant from the main telephone.

EXTENSION LINE — See "Circuit"

EXTENSION TELEPHONE — An additional telephone connected on the same circuit as the main telephone.

Approved P.U. Comm. P.E.I.

Effective: January 1, 1981

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section D-1
Sheet 2

Item

DEFINITIONS (Cont'd)

10. **FOREIGN ATTACHMENT** — The attachment, either physically or by induction to the Company's plant, of equipment, apparatus, circuit or device not furnished by the Company.

JACK — A fixed socket designed to permit the establishment of telephone connections by means of cords ending in plugs.

LOCAL SERVICE AREA — An area including two or more Exchange Areas within which telephone message service is provided without Long Distance Charges.

MAIN TELEPHONE — A telephone directly connected to a circuit.

ONE-PARTY SERVICE — Exchange service whereby only one subscriber is served by a circuit.

PARTY LINE SERVICE — Exchange service whereby more than one subscriber may be served by a circuit.

TWO-PARTY SERVICE — Exchange service whereby a maximum of two subscribers may be served by a circuit.

FOUR-PARTY SERVICE — Exchange service whereby a maximum of four subscribers may be served by a circuit.

MULTI-PARTY SERVICE — Exchange service whereby more than four subscribers may be served by a circuit. Although normally limited to a maximum of six, a subscriber may be added to a multi-party line for a short term period when circumstances dictate. In Designated Four-Party Exchanges (Item 265), multi-party lines shall be limited to a maximum of four subscribers.

PREMISES — Either of the following:

(a) A complete building such as an office building or house.

(b) A part of a building, such as a suite of offices in an office building or an apartment in an apartment building. In such cases the part of the building occupied must be contiguous and include no space not controlled by the subscriber.

PRIVATE LINE — See "Circuit"

STATION — See "Telephone Set"

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section D-1
Sheet 3

Item

DEFINITIONS (Cont'd)

10. **SUBSCRIBER** — Include a person, body corporate, partnership, firm, association, a society, or other unincorporated entity, a government or department or agency thereof provided with telephone service and responsible to the Company for the reasonable care of the equipment and for payment of all charges for such service.

SYSTEM SERVICE TERMINAL — A telephone or equivalent used with System Service.

TELEPHONE SET — A telephone instrument connected to permit the sending and receiving of telephone messages.

TOLL RATE CENTRE — A selected point in an exchange area used in determining rate distances for message toll and inter-exchange services.

Item

GENERAL REGULATIONS

20. APPLICATION FOR SERVICE

(a) Application for service or for additional service and/or equipment in connection with service already established may be made orally or shall be in writing if the Company so requires.

(b) The Company shall not be obligated to provide service to any person indebted to it.

30. CLASSES OF SERVICE

1. BUSINESS SERVICE

(a) A subscriber's service shall be classed as business service if it is used primarily or substantially for any commercial or otherwise occupational purpose other than basic domestic requirements.

(b) The business classification shall apply:

(1) When a directory listing indicates other than primary domestic use.

(2) When the service is advertised or publicized in connection with any non-domestic use.

(3) At such locations as boarding houses, colleges, clubs, hospitals, schools and libraries.

(c) If any part of the subscriber's service is used primarily for non-domestic purposes or is in a location where the business classification would apply, the entire service is classified as business, expect that a subscriber to both business and, residence service may have:

(1) Connection of his residence service with terminating equipment of his business service, at his residence.

(2) An extension telephone of his business service at the location of his residence service.

(d) When the residence classification is being applied but the Company finds that the business classification is applicable, the Company may thenceforth charge the appropriate business rate, upon notifying the sub-subscriber.

Item GENERAL REGULATINS (Cont'd)

30. CLASSES OF SERVICE (Cont'd)

(e) Although classed as business service the following special arrangements apply:

(1) For business establishments whose operations are of a seasonal nature. These establishments may change from a one-party business service to a one-party residence service classification during the non business season after business service has been subscribed to for a minimum of 6 months in any 12 month period.

(2) Under the following circumstances:

i. For one main service furnished to a charitable organization supported solely by public contributions a discount of 50% of the business base rate may apply, but the net rate in no case shall be less than the corresponding residence rate.

ii. In all cases it is the responsibility of the organization meeting the above criteria to apply for this service offering. Application for such service shall require satisfactory proof of a Federal Charitable Organization Taxation Number.

iii. Subscribers to System Service do not qualify for this rate treatment.

(3) For Fire Stations and Church Studies residence rates shall apply.

2. RESIDENCE SERVICE

A subscriber's service shall be classified as residence service when installed in a private residence or private quarters of hotels or boarding houses and used primarily for the social or domestic affairs of the household and none of the conditions for the business classification exist.

Item **GENERAL REGULATIONS (Cont'd)**

40. USE OF SUBSCRIBER SERVICE

1. GENERAL

(a) Residence Service is provided for the exclusive use of the subscriber, members of his family and their guests.

(b) Business Service is provided for the express use of the subscriber and his employee's, agents or representatives.

(c) The Company may refuse to provide other than Public or Semi-Public telephone service in locations of public or semi-public nature, except under the terms of Hotel System Service.

(d) When a firm or corporation carries on business under two distinctive designations but with substantially the same directorate and management, either of such firms or corporations may subscribe for telephone service for the use of both, the subscribing firm being responsible for the payment of all charges.

(e) Subscribers may not rearrange, disconnect, or remove or permit others to rearrange, disconnect, or remove any equipment or wiring installed by the Company except upon the written consent of the Company. For the purpose of inspecting, repairing, or removing any part of its equipment or wiring on the premises of the subscriber, or of making collections where coin box service is provided, the Company's employees shall have access to such premises at any reasonable hour.

(f) No resale of telephone service may be made directly or indirectly to any party except in the case of service to hotel guests.

Item

GENERAL REGULATIONS (Cont'd)

40. **USE OF SUBCRIBER SERVICE (Cont'd)**

2. **PARTY LINE SERVICE**

Applications for party line service shall be accepted by the Company with the understanding that each subscriber will so use the service as not to interfere with a fair and proportionate use of the service by other subscribers on the same line. When the use of the service by any party line subscriber is sufficiently great to prevent a fair and proportionate use by other subscribers on the line, the Company reserves the right to request the subscriber to contract for another grade of service, or to discontinue the service of the subscriber responsible.

3. **FOREIGN ATTACHMENTS**

(a) Subscribers shall not use or permit to be used any equipment, apparatus, circuit or device either attached to or arranged so as to operate in conjunction with the equipment, facilities or other property furnished by the Company without the consent of the Company, or permit the attachment of advertising devices except upon the approval of the Company.

(b) When an attachment or arrangement of any kind other than that furnished or approved by the Company is attached to or connected with any part of the Company's property, the Company reserves the right upon due notice to remove such attachment or arrangement or to disconnect the service.

50. **SUBSCRIBER LIABILITY**

1. **SERVICE REQUEST CHARGES**

Subscribers are obligated to pay the fixed charges known as Service Request Charges assessed to cover, in part, the costs associated with the establishment of service or of fulfilling subscriber's requests for changes in the service or changes in the equipment used to provide service. (See Section E—7).

2. **EXTRAORDINARY CONSTRUCTION**

Subscribers are required to contribute toward the cost of any unusual construction required to serve them when, in the opinion of the Company, the cost of such construction is excessive in relation to revenue. (See Section E—24).

Item **GENERAL REGULATIONS (Cont'd)**

50. **SUBSCRIBER LIABILITY (Cont'd)**

3. **ACQUISITION LIABILITY**

The Company's obligation to furnish service is dependent upon its ability to secure and retain without unreasonable expense suitable facilities and rights for the construction and maintenance of the necessary pole lines, circuits and equipment. Should the Company be required to acquire by purchase or expropriation any rights-of-way in order to furnish service economically in any exchange, the Company shall not be liable for failure to furnish such service unless the purchase price and costs expended by the Company in acquiring such rights-of-way be paid or guaranteed to the Company by the subscriber.

4. **DAMAGE TO EQUIPMENT AND WIRING**

The subscriber shall take good care of the Company's equipment and wiring which are the property of the Company, and in case of any damage not due to ordinary wear and tear, the subscriber shall be responsible except where such damage was not caused wilfully or by negligence.

5. **ALTERATIONS TO SUBSCRIBERS' PREMISES**

Subscribers notify the Company promptly whenever the premises on which their telephones are located are to undergo alterations or additions which will necessitate changes in the telephone equipment or wiring, and the subscribers must assume the cost of any such changes.

60. **PAYMENT FOR SERVICE**

1. **GENERAL**

(a) The subscriber shall be liable to the Company for the payment of all charges for exchange service and equipment, service request charges, construction contributions, and toll calls including all calls originating at his telephone regardless of who may originate such calls, and for all calls received at his telephone the charges for which are accepted by any person receiving such calls regardless of who may accept such charges.

Item **GENERAL REGULATIONS (Cont'd)**

60. PAYMENT FOR SERVICE (Cont'd)

1. GENERAL (Cont'd)

(b) All charges shall be payable at the Company's business offices or at other agencies duly authorized to receive such payments.

If objection in writing is not received by the Company within thirty days after a statement of account is rendered, such statement shall be deemed to be correct and binding upon the subscriber, provided such account is in accordance with filed rates.

2. DEPOSITS

(a) Applicants for telephone service whose financial responsibility is unsatisfactory or unknown, or a subscriber whose service has been denied or disconnected for non-payment, may be required to make a deposit equal to the estimated charges for 3 months' local service or toll service or both.

(b) Such deposit shall be retained as long as considered necessary, and its existence shall not prevent the authorized collection treatment such as disconnection of service, where necessary. Upon the termination of the contract such deposit less any and all amounts then due is returnable to the subscriber.

(c) Interest on deposits shall be credited or paid to the subscriber upon refund of the deposit. Interest paid in any calendar year shall be simple interest at the prime lending rate of the Canadian Chartered Banks as of the banking day of that year.

70. MAINTENANCE AND REPAIRS

All ordinary expense of maintenance and repairs shall be borne by the Company. Any equipment furnished by the Company shall remain the property of the Company, and upon termination of service for any cause whatsoever shall be returned to it in good condition, reasonable wear and tear thereof excepted.

Item **GENERAL REGULATIONS (Cont'd)**

80. LIMITATION OF COMPANY LIABILITY

1. DAMAGE TO SUBSCRIBER'S PROPERTY

No liability shall attach to the Company by reason of any defacement or damage to the subscriber's premises resulting from the existence of the Company's equipment and wiring on such premises, or by the removal thereof when such defacement or damage is not the result of the negligence of the Company or its employees.

2. INTERRUPTED SERVICE

(a) All service provided by the Company shall be at the risk of the subscriber except when gross negligence on the part of the Company, its employees or agents can be established.

(b) In case service is interrupted other than by the negligence or wilful act of the subscriber, an allowance shall be made, computed on the basis of the minimum monthly rate for such telephone service, equipment and facilities as are rendered useless or inoperative by cause of the interruption.

(c) Such allowances shall cover the time the interruption of service continues beyond twenty-four hours after notice thereof has been received by the Company.

(d) No other liability shall in any case attach to the Company.

3. DIRECTORIES AND LISTINGS

Directories, and listings therein, are and remain the property of the Company. Although every precaution is taken to ensure accuracy in directory listings, neither the Company nor the publisher of the directory can assume any liability for losses due to errors or omissions.

Item **GENERAL REGULATIONS (Cont'd)**

90. DISCONNECTION OF SERVICE

(a) The Company reserves the right to discontinue service at any time after three days' notice in writing or by telephone should the subscriber make default in payment of any of the established charges as provided in this Tariff, or should the subscriber make, or permit to be made, any use of the telephone or lines contrary to the rules and regulations of the Company.

(b) No person disconnected under the terms of the above regulation shall be entitled to be reconnected until such indebtedness is paid or an arrangement is made for the satisfactory settlement of all arrears. In addition a Service Request Charge (Item 360) shall be paid before service is reconnected.

100. TELEPHONE NUMBERS

The Company reserves the right to change the subscriber's telephone number as the needs of the Company's business may require.

110. EXCHANGE AND BASE RATE AREAS

The Company reserves the right (subject to the approval of the Commission) at any time to change or modify the Base Rate Area Boundaries or Exchange Area Boundaries, and to change specified Local Service areas. (See Section E—4).

120. DIRECTORIES

(a) Directories contain listings of subscribers within a specified area. They shall be issued by the Company to its subscribers, shall be the property of the Company and be surrendered to the Company if desired upon termination of service or on issuance of new directories.

(b) Directories shall be furnished without charge in such numbers as may be generally necessary for the efficient use of the service. The Company reserves the right to make a charge for directories furnished to subscribers in excess of reasonable requirements, or in replacement of directories destroyed or mutilated by subscribers. (See Section E—23).

Item **GENERAL REGULATIONS (Cont'd)**

130. **DISPUTES**

If any dispute shall arise between the Company and a customer, either party may refer the matter to the Public Utilites Commission for decision, and the Commission, on any such reference may, notwithstanding anything contained in these regulations, make such order as it may deem just.

140. **EMPLOYEES' CONCESSION SERVICE**

An employee who has been in the service of the Company for a continuous period of not less than twelve months shall be entitled to receive residence exchange service, including extensions, at a 25 per cent reduction from the regular schedule of rates. This reduction shall apply also to service request charges.

150. **PENSIONED EMPLOYEES' CONCESSION SERVICE**

(a) Concession telephone service for employees retired on pension shall be granted subject to the following regulations:

(1) **Class 1** — Any such employee who has had 25 or more years' service as a regular employee shall be entitled to a 50% concession on residence exchange service.

(2) **Class 2** — Any such employee who has had 15 to 25 years' service as a regular employee shall be entitled to a 25% concession on residence exchange service.

(b) The concession shall be for residence exchange service, including extensions, as most convenient for the Company to supply.

Item GENERAL REGULATIONS (Cont'd)

160. VIOLATION OF REGULATIONS

The Company may suspend or terminate the service, either summarily or upon due notice for any of the following causes:

(1) Use of foul, profane or abusive language.

(2) The impersonation of any person with fraudulent intent.

(3) The listening in on or interference with party line conversations.

(4) The use of the word "Emergency" while a call is being placed when no emergency exists.

(5) Any other violation of the Company's regulations.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-3
Sheet 1

Item

CLASSIFICATION OF EXCHANGES

170. **GENERAL**

(a) For the purpose of determing exchange service rates, all exchange areas shall be classed in accordance with the count of total telephone numbers therein, except when Extended Area Service is approved to form a local service area (see Section E-4) in which case, the classification shall be determined by the total telephone numbers within the local service area. Such classification shall be as follows:

(b)

Group 1	1 to	1,600 Total Telephone Numbers
Group 2	1,601 to	6,000 Total Telephone Numbers
Group 3	6,001 to	16,000 Total Telephone Numbers
Group 4	16,001 to	30,000 Total Telephone Numbers

180. **CHANGE OF CLASSIFICATION**

After the establishment of an Exchange Area or Local Service Area and when the Commission finds that the number of telephone numbers in any exchange area or local service area in Group 1 has reached ten per cent, or in Group 2 or 3 has reached five per cent above the upper limit of the group in which the exchange area or local service area is classed. and has maintained that level for a period of at least six months, the Commission may order that the exchange area or local service area be transferred to the next higher group. An exchange area or local service area shall not revert to a lower group unless, for a period of at least six months, the number of telephone numbers falls to and remains at least 5% below the limits of the group in which it is classed.

Item

CLASSIFICATION OF EXCHANGES

190. **EXCHANGE CLASSIFICATIONS**

EXCHANGE	RATE GROUP	EXTENDED AREA SERVICE TO	DESIGNATED FOUR PARTY EXCHANGE
Alberton	2	O'Leary, Tignish	No
Bedeque	3	Borden, Kensington Summerside	No
Borden	3	Bedeque, Summerside	No
Cardigan	2	Georgetown, Montague	No
Charlottetown	4	Covehead, Crapaud, Eldon, Hunter River, Morell-St. Peters, Mt. Stewart, New Haven, Rusticoville, Vernon River	No
Covehead	4	Charlottetown	No
Crapaud	4	Charlottetown	February, 1980
Eldon	4	Charlottetown, Vernon River	February, 1980
Georgetown	2	Cardigan, Montague	February, 1980
Hunter River	4	Charlottetown, Rusticoville	No
Kensington	3	Bedeque, New London, Summerside	No
Montague	2	Cardigan, Georgetown, Murray River	No
Morell-St. Peters	4	Charlottetown	April, 1980
Mount Stewart	4	Charlottetown	February, 1980
Murray River	2	Montague	No
New Haven	4	Charlottetown	No
New London	3	Kensington, Summerside	February, 1980
O'Leary	2	Alberton	No

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-3
Sheet 3

Item **CLASSIFICATION OF EXCHANGES (Cont'd)**

190. **EXCHANGE CLASSIFICATIONS (Cont'd)**

EXCHANGE	RATE GROUP	EXTENDED AREA SERVICE TO	DESIGNATED FOUR PARTY EXCHANGE
Rusticoville	4	Charlottetown, Hunter River	No
Souris	1	South Lake	No
South Lake	1	Souris	November, 1980
Summerside	3	Bedeque, Borden, Kensington, New London, Wellington, Tyne Valley	No
Tignish	2	Alberton	No
Tyne Valley	3	Summerside	June, 1980
Vernon River	4	Charlottetown, Eldon	No
Wellington	3	Summerside	No

Item

EXCHANGE AREAS

200. GENERAL

An exchange is the basic geographical unit for the administration and furnishing of telephone service and normally includes a city, town or village and adjacent areas.

210. EXCHANGE AREA

The exchange area is a defined district or territory to all points of which service is provided on a flat rate basis.

220. BASE RATE AREA

(a) A Base Rate Area is that part of the Exchange Area which includes the densely settled and developed section of the Exchange Area and in which service is provided without mileage charge. Unless otherwise specified in the list of Exchanges by Classification, the Base Rate Area is a circle of one mile radius. There are two types of Base Rate Areas:

(1) Main Base Rate Area

(2) Locality Base Rate Area

(b) The Main Base Rate Area includes the core of development within the exchange area and the territory surrounding the core area and contiguous with it and where there exists an average of not less than 35 telephone subscribers per road mile.

(c) A Locality Base Rate Area is located within an exchange area beyond the boundary of the Main Base Rate Area and where there exists:

(1) Not less than 50 telephone subscribers within the boundaries of the Locality Base Rate Area, and with a density of 35 telephone subscribers per road mile within the boundary when averaged over the distance from the Main Base Rate Boundary to the extremities of the Locality Base Rate boundary, or;

(2) 100 Telephone subscribers within the boundaries of the Locality Base Rate Area with an average of 35 telephone subscribers per road mile within the boundaries of the Locality Base Rate Area.

Item EXCHANGE AREAS (Cont'd)

230. **BASIC EXCHANGE SERVICES**

(a) **Inside Main Base Rate Area and Locality Base Rate Area**

(1) One-party, two-party and four-party service at base rates, except that four-party business service shall not be provided inside the Main Base Rate Areas or Locality Base Rate Areas of Exchanges in Groups 1, 2, 3, and 4.

(2) Semi-Public Telephone service at base rates.

(3) Public Telephone service.

(4) Mobile Telephone service.

(b) **Outside Main Base Rate Area or Locality Base Rate Area**

(1) One-party and four-party service at base rates plus mileage charges and multi-party service at base rates.

(2) Semi-Public telephone service at base rates plus mileage charges.

(3) Public Telephone service.

(4) Mobile Telephone service.

240. **BASE RATE AREA LIMITS**

(a) The Main Base Rate Area in each exchange unless otherwise specified in this section is a circle of one mile radius whose centre is so located as to be approximately at the centre of the density of the buildings and structures in that area.

(b) Where the described limits of an area fall along a street, road, or highway, subscribers on both sides of such street, road, or highway shall be served at the rates applicable to the Main Base Rate Area or Locality Base Rate Area provided that their properties are adjacent to such street, road, or highway and the premises being served are within 150 feet thereof.

250. **EXTENDED AREA SERVICE**

With the approval of the Commission, two or more Exchange Areas may be associated to form a Local Service Area, eliminating long distance charges for calls which originate and terminate within such Local Service Area.

Item

EXCHANGE AREAS (Cont'd)

260. BASE RATE AREA DESCRIPTIONS

1. CHARLOTTETOWN BASE RATE AREA

(a) **Charlottetown Base Rate Area shall include that area bounded as follows:**

Commencing at a point on the shore line of the Hillsborough River location at the north end of the Hillsborough Bridge; thence westerly following the shore line of the Hillsborough River, North River, North Creek, North River to the North River Causeway; thence westerly along the Trans Canada Highway to the westerly shore of the North River; thence in a southerly direction following the shore line of the North River for a distance of approximately one mile to an un-named creek; thence westerly along the shore line of the said un-named creek; to the York Point Road; thence northerly along York Point Road to North River Corner; thence northerly along the Wiltshire Road to a point approximately 3,000 feet from North River Corner, said point being the location of an un-named creek flowing into the North River; thence following the shore line of said un-named creek and North River in a southeasterly direction to the North River Causeway; thence easterly along the North River Causeway to the eastern shore line of North River; thence following the eastern shore line of the North River in a northwesterly direction for a distance of approximately 2 ¾ miles to an un-named creek flowing into the North River; thence following the shore line of the said un-named creek to Highway #2 (at Coles Lumber Mill); thence westerly along Highway #2 for a distance of approximately 4,200 feet to a point of intersection with the North River Road; thence easterly along Highway #2 to the Sherwood Road; thence easterly along the Sherwood Road to the Brackley Point Road; thence northwardly along the Brackley Point Road to a road along the north boundary of the Charlottetown Airport; thence eastwardly along such road approximately ½ mile; thence southeasterly to the intersection of Union Road and Royalty Road; thence northeasterly along Royalty Road to East Royalty Road; thence southerly to St. Peters Road; thence northeasterly along St. Peters Road approximately 1,600 feet (T.P. #5-11); thence southwesterly along St. Peters Road to Heartz Lane, thence southerly along Heartz Lane to the shore line of Hillsborough River and thence following the shore line of the Hillsborough River to the point of commencement at the north end of the Hillsborough Bridge.

Item

EXCHANGE AREAS (Cont'd)

260. BASE RATE AREA DESCRIPTIONS (Cont'd)

1. CHARLOTTETOWN BASE RATE AREA (Cont'd)

(b) Charlottetown Base Rate Area shall also include that portion of Southport, Bunbury, Crossroads and Tea Hill as follows:

Commencing at a point on the shore line of the Hillsborough River located at the south end of the Hillsborough Bridge; thence following the shore line of the Hillsborough River northeasterly to a point on the shore line located on a line in continuation of Duffy's Lane; thence southwardly along a line in continuation of Duffy's Lane and along said lane to Bunbury Road; thence southeasterly in a direct line to a point on the Trans Canada Highway one mile east of the Crossroads Corner; thence westerly along the Trans Canada Highway to the Georgetown Road (Crossroads Corner); thence southeasterly along Georgetown Road to the 48 — Lot 49 boundary line; thence westerly along this boundary line to the shore line of Bellevue Cove; thence in a westerly direction along the shore line of Bellevue Cove and Hillsborough Bay to Seatrout Point; thence northwardly along the shore line of Charlottetown Harbour to Stewart's Cove; thence along the shore line of Stewart's Cove to the shore line of the Hillsborough River and thence northeasterly along the shore line of the Hillsborough River to the point of commencement at the south end of the Hillsborough Bridge.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

2. **NEW HAVEN BASE RATE AREA**

(a) New Haven Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose center is the intersection of the Trans-Canada Highway and the Colville Road.

(b) New Haven Base Rate Boundary shall also include that portion of Cornwall as follows:

Commencing at a point on the Trans-Canada Highway where the New Haven Exchange Boundary intersects the said highway; thence in a southeasterly direction following the New Haven Exchange Boundary to a point on the shore line of the West River; thence following westwardly along the shore line of West River, Hyde Creek and an un-named creek to a point on the Meadowbank Road approximately 4,200 feet from the Trans-Canada Highway; thence in a northwesterly direction along a line to the intersection of the Upper Meadowbank Road and the Trans-Canada Highway; thence southerly along the Upper Meadowbank Road, a distance of approximately 600 feet; thence in a westerly direction along a line to the eastern shore line of the Clyde River; thence in a northerly direction along the shore line of the Clyde River approximately 600 feet from the Trans-Canada Highway at Clyde River Bridge; and thence in a northeasterly direction along a line to the point of commencement at the intersection of the Exchange Boundary and the Trans-Canada Highway and crossing the Lynwood Road and the Cornwall Road.

Item

EXCHANGE AREAS (Cont'd)

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

3. **RUSTICOVILLE BASE RATE AREA**

(a) Rusticoville Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose center is the bridge on Highway #6 at Rusticoville, crossing the Hunter River.

(b) Rusticoville Base Rate Area Boundary shall also include that area bounded as follows:

Commencing at a point on Highway #6 where the northern boundary of the one mile circle intersects said highway; thence in a northerly direction following Highway #6 to the intersection of said highway and the Harbour Road; thence, continuing on Highway #6 in a northwesterly direction to the North Rustico United Church; thence, easterly in a straight line to the intersection of Church and Shore Road, the prolongation of said line meeting the shoreline of the Gulf of St. Lawrence; thence, in a southerly and westerly direction along the shoreline of Rustico Harbour to a point where said shoreline is intersected by the one mile circle.

THE ISLAND TEL. CO. LTD. Section E-4

GENERAL TARIFF Sheet 7

EXCHANGE AREAS (Cont'd)

Item

260. BASE RATE AREA DESCRIPTIONS (Cont'd)

4. SUMMERSIDE BASE RATE AREA

(a) Summerside Base Rate Area shall include that area bounded as follows:

Commencing at a point on the shore line of Bedeque Bay and located at the end of the Golf Club Road and running thence in a northwardly direction along a line or road in continuation of the Golf Club Road to its point of intersection with Bay View Drive; thence northwestwardly along Bay View Drive to intersection with Glen Drive; thence easterly along Glen Drive to C.N.R. right-of-way; thence along C.N.R. right-of-way to West Drive; thence westwardly along West Drive to the Airport Road and; thence proceeding northwardly along the Airport Road to and including that portion of the C.F.B. Summerside in which the principal group of airport buildings is located and also the area known as Slemon Park; thence in a straight line from the southeast corner of Slemon Park to a point on North Drive opposite the Dump Road; thence southwardly along North Drive to its junction with Highway #2 (West); thence eastwardly along Highway #2 to Linwood Drive; thence southwardly along Linwood Drive to a point on Linwood Drive ¼ mile north of the Pope Road; thence eastwardly from this point in a line parallel to and approximately ⅓ mile south of the Sherbrooke Road to the intersection of the C.N.R. right-of-way and Highway #2 (East); thence northwardly along Highway #2 to Traveller's Rest Corner; thence southwardly along Highway #2 (East) to Read's Corner; thence southwardly along Highway #1A to a point at which it crosses the Wilmot River; thence following the shore line of the Wilmot River and Bedeque Bay in a westwardly direction to the point of commencement.

Item

EXCHANGE AREAS (Cont'd)

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

4. **SUMMERSIDE BASE RATE AREA (Cont'd)**

(b) Summerside Base Rate Area shall also include that portion of Miscouche bounded as follows:

Commencing at a point where the Fifteen Point Road (also known as the Miscouche Road) is intersected by the C.N.R. right-of-way; thence northwestwardly along the C.N.R. right-of-way for a distance of 1,500 feet; thence proceeding in a northeastwardly direction along a line following the various courses of the Fifteen Point Road and a distance of 1,500 feet northwest thereof, and crossing the Western Road for a distance of 6,600 feet (or 1 ¼ mile) from the said C.N.R. right-of-way; thence from this point in a southeasterly direction and crossing the said Fifteen Point Road for a distance of 3,000 feet; thence running along a line in a southwesterly direction and crossing the Western Road for a distance of 6,600 feet (1 ¼ miles) and following the various courses of the Fifteen Point Road at a distance of 1.500 feet southeast therefrom to the point at which such line intersects the C.N.R. right-of-way; thence northwesterly along the C.N.R. right-of-way to the point of commencement.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

5. **CRAPAUD BASE RATE AREA**

(a) Crapaud Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose center is the intersection of the Trans-Canada Highway and Main Street, in the Village of Crapaud.

(c) Crapaud Base Rate Boundary shall also include that area bounded as follows:

Commencing at a point on the west shoreline of the Westmoreland River where southern boundary of the one mile circle intersects said river. Thence in a southerly direction along west shoreline of Westmoreland River and south westerly along northern shoreline of Victoria Harbour to its intersection with the Queens — Prince County line. Thence northerly along Queens — Prince County line to a point where said County line is interested by the one mile circle. Thence northwesterly along southern boundary of the one mile circle to the point of commencement.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

6. **BORDEN BASE RATE AREA**

(a) Borden Base Rate Area shall include that area bounded as follows:

All that land mass which falls within a circle of one mile radius whose center is the intersection of Main and Beatty Streets in the Town of Borden.

(b) Borden Base Rate Boundary shall also include the area bounded as follows:

Commencing at a point on the Carleton Road where the eastern boundary of the one mile circle intersects said road, (said point located approximately 1,340 feet or 3/10 mile east of the C.N.R. crossing on Carleton Road). Thence in an easterly direction along the Carleton Road to its intersection with the North Carleton Road. Thence in a northerly direction along the North Carleton Road for a distance of approximately 500 feet or 1/10 mile to the Carleton Overpass. Thence southeasterly in a straight line to a point on the Trans-Canada Highway, said point located approximately 2,780 feet or 5/10 miles east of Carleton Corner intersection. Thence southwesterly in a straight line to a point located on the Augustine Cove Road, said point located approximately 2,197 feet or 4/10 miles south of Carleton Corner intersection. Thence westerly in a straight line to a point on the northern shoreline of Amherst Cove which is intersected by the one mile circle.

Item

EXCHANGE AREAS (Cont'd)

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

7. **COVEHEAD BASE RATE AREA**

(a) Covehead Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose centre is the intersection of Covehead, Dalvay, and Bayshore (Bay Road) Roads in the community of Stanhope.

(b) Covehead Base Road Boundary shall also include that area bounded as follows:

Commencing at a point on the north shoreline of Covehead Bay where the boundary of the one mile circle intersects said shoreline. Thence in a clockwise direction along the north shoreline of Covehead Bay through Cape Stanhope and along the shoreline of the Gulf of St. Lawrence to a point on Stanhope Beach where said shoreline is intersected by the one mile circle.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

8. **BEDEQUE BASE RATE AREA**

(a) Bedeque Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose centre is the intersection of the Dunk River Road and the Bedeque — Summerside highway.

(b) Bedeque Base Rate Boundary shall also include that portion of Kinkora bounded as follows:

All that area which falls within a circle of one mile radius whose centre is the intersection of the Bedeque Road and Newton Road.

Item

EXCHANGE AREAS (Cont'd)

260. BASE RATE AREA DESCRIPTIONS (Cont'd)

9. MURRAY RIVER BASE RATE AREA

(a) Murray River Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of a one mile radius, whose centre is the bridge on Highway #4 at Murray River, crossing the Murray River.

(b) Murray River Base Rate Boundary shall also include that area bounded as follows:

Commencing at a point on the Fox River Road at Fox River, thence southeastwardly paralleling the Fox River Road on the west, to the Murray Harbour Road. Thence southeastwardly in a straight line to the intersection of the White Sands and Beach Point roads and crossing the Fox River at the C.N.R. railway track. Thence northeastwardly paralleling the Beach Point Road and its prolongation on the south to the shoreline of the Gulf of St. Lawrence, crossing the Guernsey Cove and Penny Roads. Thence in a counter clockwise direction along the shoreline of the Gulf of St. Lawrence, Murray Harbour and Fox River to the point of commencement.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

10. **ALBERTON BASE RATE AREA**

(a) **Alberton Base Rate Area shall include that area bounded as follows:**

All that area which falls within a circle of one mile radius whose centre is the intersection of Main and Church Streets.

(b) **Alberton Base Rate Boundary shall also include that area bounded as follows:**

Commencing at a point on the west shoreline of Alberton Harbour where the boundary of the one mile circle intersects said shoreline. Hence in a clockwise direction along the west shoreline of Alberton Harbour, around Bury Head and the east shoreline of the Dock River to a point on said shoreline where said shoreline is intersected by the one mile circle.

Item **EXCHANGE AREAS (Cont'd)**

265. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

11. **MONTAGUE BASE RATE AREA**

(a) Montague Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose centre is the middle of the Montague Bridge between Main Street North and Main Street South.

(b) Montague Base Rate Boundary shall also include that area bounded as follows:

Commencing at a point on the Montague Road where the boundary of the one mile circle intersects that said Montague Road. Hence in a northerly direction along the Montague Road for a distance of approximately .9 miles to the point of intersection with the Mellish Road, thence southerly along the Montague Road, for a distance of approximately .9 miles to the point of commencement on the one mile circle.

Item **EXCHANGE AREAS (Cont'd)**

260. **BASE RATE AREA DESCRIPTIONS (Cont'd)**

12. **TIGNISH BASE RATE AREA**

(a) Tignish Base Rate Area shall include that area bounded as follows:

All that area which falls within a circle of one mile radius whose centre is the intersection of Main Street and Railway Street.

(b) Tignish Base Rate Area shall also include that area bounded as follows:

Commencing at a point on the Union Road approximately 8/10 of a mile east of C.N.R. crossing, thence northwestwardly to a point on the Palmer Road 7/10 mile north of the Union Road, thence southwestwardly to the intersection of the Union Road and Skinner's Pond Road; thence northwardly along Skinner's Pond Road approximately 1/4 mile, thence northwestwardly to the shoreline of Northumberland Strait, thence southwardly following the shoreline of Northumberland Strait and Miminegash Pond to a bridge on Skinner's Pond Road ¾ of a mile south of the Union Road, thence northwardly along Skinner's Pond Road to the intersection with the Union Road, then eastwardly along the Union Road to the point of commencement.

THE ISLAND TEL. CO. LTD. **Section E-5**
GENERAL TARIFF **Sheet 1**

Item

EXCHANGE SERVICE RATES

270. GENERAL

(a) A specific schedule of base rates for exchange service applies for each rate group as describer in Item 170.

(b) For service furnished outside the Base Rate Area, other than multi-party line service, mileage charges (Item 440) apply in addition to the base rate.

280. RATE TABLE

Following are the monthly rates for exchange service:

RATE GROUP	EXCHANGE RATES TABLE							
	BUSINESS				RESIDENCE			
	ONE PARTY	TWO PARTY	FOUR PARTY *	MULTI PARTY	ONE PARTY	TWO PARTY	FOUR PARTY	MULTI PARTY
1	$14.90	$14.00	$13.05	$13.05	$ 7.75	$ 7.35	$ 6.95	$ 6.95
2	17.90	16.65	15.35	15.35	8.40	8.00	7.60	7.60
3	26.50	24.70	22.90	22.90	9.75	9.35	8.95	8.95
4	31.50	29.65	27.80	27.80	10.35	9.95	9.55	9.55

* Not provided in Base Rate Area.

Item

MINIMUM SERVICE PERIODS AND TERMINATION OF SERVICE

290. GENERAL

Except as hereinafter provided, the minimum charges for telephone service and miscellaneous equipment shall be the charges for one month's service.

300. CONTINUATION OF SERVICE

A subscriber contracting for any form of service where a contract for more than one month applies, may arrange, to transfer to another party the unexpired portion of the service contract, provided there is a complete continuity of billing for the same service at the same location. In the event of such transfer it is understood that the party who assumes the unexpired contract will be bound by all the conditions that would have applied for the original subscriber.

310. SYSTEM SERVICE AND HOTEL SYSTEM SERVICE

(a) The minimum service period for new installations of System Service, Classifications 101 & 102 shall be one month; for all others, three years.

(b) Such facilities as are discontinued within the minimum service period shall be subject to termination charges equal to such proportion of the sum of the cost of installing and the cost of removing the equipment discontinued as the unexpired portion of the minimum service period bears to the full minimum service period. Pro rata termination charges shall apply when one or more switchboard positions are discontinued.

Item

MINIMUM SERVICE PERIODS AND TERMINATION OF SERVICE

320. SERVICE INVOLVING UNUSUAL COST.

All rates for service are based on the assumption that facilities are available and the furnishing of service will not involve unusual costs. When the furnishing of service involves unusual cost the subscriber may be assessed extra charges based on the cost involved. (See Section E-24). A contract for any period up to a maximum of five years may be required either in addition to or instead of such extra charges.

330. SPECIAL SHORT TERM SERVICE

(a) Special short term service at exhibitions, fairs and for elections will be supplied (where facilities are available), for any period less than two months at a rate equal to the charges for two months basic exchange service plus mileage, where applicable, plus Service Request Charges. Should service be retained for a period longer than two months the regular rates shall apply.

(b) Where facilities are not available the subscriber shall pay in addition to the special short term charge any extraordinary expense (including mileage charges), necessary for the provision of such facilities.

340. TERMINATION OF SERVICE

Service furnished by the Company may be discontinued by the subscriber at any time upon notice subsequent to the minimum service period requirements of this tariff being met. In the case of cancellation of an application subsequent to the installation of the facilities requested, but prior to the establishment of service, the minimum charges as stated in Item 290 applies in addition to any Service Request Charges and special construction charges quoted to the subscriber or applicant.

Item

SERVICE REQUEST CHARGES

350. GENERAL

(a) Service Request Charges apply to the initial establishment of basic service and to most subsequent additions, changes or moves requested by the subscriber.

(b) Service Request Charges apply in addition to monthly rates and in addition to any unusual costs in providing service. (See Section E-24).

(c) The charges specified contemplate that the work will be performed during the regular working hours of Company employees. If the subscriber requests overtime labour or orders work to be done under conditions which involve unusual expense, an additional charge may be made based on the additional costs involved.

360. SERVICE REQUEST CHARGE SCHEDULE

(a) RESIDENCE/BUSINESS

Initial Establishment	Residence	Business
Main Telephones	$17.50	$ 24.00
Semi-Public Telephones	N/A	24.00
Private Lines	N/A	24.00
Mobile Telephones-Company Provided	N/A	60.00
Mobile Telephones-Customer Provided	N/A	24.00
Assumption of Equipment in Position per line	15.00	20.00
Miscellaneous Equipment	15.00	15.00
Automatic Answering Equipment	17.50	24.00
Automatic Answering and Recording Equipment	17.50	24.00
Telephone Answering Service Circuit	17.50	17.50
Telephone Answering Service Position each 20 lines	N/A	100.00

THE ISLAND TEL. CO. LTD. **Section E-7**
GENERAL TARIFF **Sheet 2**

Item

SERVICE REQUEST CHARGES (Cont'd)

360. SERVICE REQUEST CHARGE SCHEDULE (Cont'd)

(a) RESIDENCE/BUSINESS (Cont'd)

Subsequent Requests	Residence	Business
Reconnection — Non Payment per line	$15.00	$20.00
Change of Non-Published or Non-Listed Telephone Number	15.00	20.00
Extension Telephones	NIL	15.00
Miscellaneous Equipment	15.00	15.00
Automatic Answering Equipment	17.50	24.00
Automatic Answering and Recording Equipment	17.50	24.00
Touch Tone Service per line	NIL	24.00
Mobile Telephones — Addjtional Channels (per request)	N/A	24.00
Change	15.00	20.00
Move	17.50	24.00

NOTE 1: All charges are "per unit" unless otherwise specified.

NOTE 2: The maximum charge for 1 Residence premise visit is $17.50 except for residence System Service.

(b) SYSTEM SERVICE

Initial Establishment

Network Service	$ 42.00	$ 48.00
Basic Terminal	24.00	24.00
Multi-Button Terminal (Up to 10 Buttons)	24.00	24.00
Multi-Button Terminal (Over 10 Buttons)	45.00	45.00
Special Circuit Access	24.00	24.00
Assumption of Equipment in Position Per Network Service	15.00	20.00
Miscellaneous Equipment	15.00	15.00
Automatic Answering Equipment	24.00	24.00
Automatic Answering and Recording Equipment	24.00	24.00
Associated Coptrol (Manual)	120.00	120.00
Associated Control (Automatic)	190.00	190.00
System Classification 401 & 402		
Main Network Service	N/A	
Extension Service	N/A	
Attendant's Position	N/A	
Special Circuit Access	N/A	

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-7
Sheet 3

Item

SERVICE REQUEST CHARGES (Cont'd)

360. SERVICE REQUEST CHARGE SCHEDULE (Cont'd)

(b) SYSTEM SERVICE (Cont'd)

Subsequent Requests	Residence	Business
Reconnection — Non Payment (per Network Service)	$ 15.00	$ 20.00
System Classification 303 & 602		
Programming Charge (Each 10 Terminals or portion thereof)	25.00	25.00
Additional Terminals	24.00	24.00
Additional Attendant's Position	190.00	190.00
Additional Intercom Path	24.00	24.00
Miscellaneous Equipment	15.00	15.00
Automatic Answering Equipment	24.00	24.00
Automatic Answering and Recording Equipment	24.00	24.00
Touch Tone Service per Network Service	N/A	24.00
Change	15.00	20.00
Move	17.50	24.00
System Classification 401 & 402		
Main Network Service	N/A	
Extension Service	N/A	
Attendant's Position	N/A	
Special Circuit Access Connection	N/A	
Programming Charge (Each 10 Terminals or portion thereof)	N/A	
Touch Tone Service per Main Network Service	N/A	

NOTE 1: All charges are "per unit" unless otherwise specified.

370. EXCEPTIONS TO SCHEDULE

(a) Service Request Charges do not apply to:

(1) Directory listings.
(2) Changes in billing where the user remains the same and there is continuity in billing.
(3) Changes in grade or class of service.
(4) Public Telephone Service.
(5) Joint User Service.
(6) The removal of service or equipment.
(7) Reconnection after Temporary Discontinuance of Service.

Item

SERVICE REQUEST CHARGES (Cont'd)

370. **EXCEPTIONS TO SCHEDULE (Cont'd)**

(b) Service Request Charges do not apply to the following items of Miscellaneous Equipment when provided with the installation of related equipment:

(1) Cords.
(2) Attendant's Telephone.
(3) Contempra Telephones.
(4) Decorator Telephones.
(5) Exclusion Telephone.
(6) Outside Telephone.
(7) Speakerphone.
(8) Volume Control Telephones.

(c) With Initial Establishment of Residence, Business or System Service, there shall be no additional Service Request Charge for Touch Tone Service. However, the charge on System Service classifications 302 and 602 shall be based on contribution to capital costs and shall be dealt with on an individual case basis.

(d) The maximum charge for 1 residence premise visit is $17.50 except for residence System Service.

(e) A move from one premise to another shall be treated as cancellation of service at the existing premises and initial establishment at the new premises.

(f) On Residence service, there shall be no charge to change a standard telephone set to one of special design, or one with a chargeable operating feature, when the monthly charge for such special design set or such operating feature set exceeds $1.00. Neither shall there be a charge to remove such a special design set or set with a chargeable operating feature.

(g) The charge to move a Mobile Telephone from one vehicle or watercraft to another shall be the initial establishment charge unless the vehicle or watercraft has been previously cabled. In such cases, the charge shall be $24.00.

(h) The total charge on one Business order shall not exceed the maximum charge for the initial establishment of the complete service.

(i) The charge to move any part of the Associated Control shall be the initial establishment charge of the complete system.

Item

SERVICE REQUEST CHARGES (Cont'd)

370. **EXCEPTIONS TO SCHEDULE (Cont'd)**

(j) The charge to move an Attendant's Position shall be the initial establishment charge of an Additional Attendant's Position.

(k) The charge to move or change a Multi-Button Terminal in excess of 10 button capacity will be the initial establishment charge of the unit.

(l) The charge to change from one System Service classification to another shall be the initial establishment charge except that a charge of $24.00 applies to change from System Service classification 101 to System Service classification 102 and vice versa.

(m) If a change to a Terminal involves both a physical change and a programming change, then the charge applied would be that for the physical change.

RESERVED FOR FUTURE USE.

Item

TEMPORARY DISCONTINUANCE OF SERVICE

400. GENERAL

(a) Temporary discontinuance of service, is intended for subscribers who vacate their premises temporarily and desire temporary disconnection of their service from the network during their absence. It provides for the continuation of the subscriber's listing in the telephone directory and other records, and ensures the availability of facilities so that reconnection of the service can be effected with a minimum delay upon request by the subscriber.

(b) Upon notice to the Company, temporary discontinuance of service may commence at any time after the expiration of the initial contract period, provided normal service has been furnished for a full month immediately preceding commencement of such temporary discontinuance.

(c) The minimum period of temporary discontinuance of service is one month and the maximum is eight months, in any 12 month period.

410. RATES

(a) The charge for temporary discontinuance shall be 25% of the regular rate per month in lieu of all other charges for the service suspended.

(b) Bills shall be rendered at reduced rates at regular billing dates during the period of discontinuance of service.

420. EXCEPTIONS

(a) Temporary discontinuance of service is available in connection with any class of service except the following:

(1) Private Line Service
(2) System Service except as noted in 420 (b)
(3) Foreign Exchange Service

(b) Temporary discontinuance of service shall be available in connection with summer hotel systems, on all or part of their equipment after the initial contract period has expired.

RESERVED FOR FUTURE USE

THE ISLAND TEL. CO. LTD. **Section E-11**
GENERAL TARIFF **Sheet 1**

Item

MILEAGE REGULATIONS AND RATES

430. GENERAL

(a) These regulations and charges apply to circuits which are provided to meet special requirements of subscribers. Mileage is the measurement on which is based all or part of the monthly charge for the service furnished.

(b) These services are furnished by methods which best suit plant and operating requirements of the Company. When it is necessary for the Company to install special assemblies of equipment or to incur any unusual expense in order to meet the particular service requirements of a subscriber, an extra construction charge may be assessed on the actual cost or expense incurred. (See Section E-24).

440. EXCHANGE LINE MILEAGE

(a) This is an airline measurement applying to that part of a one-party, semi-public or four-party service, for the use of which a charge is made in addition to the base rate.

(b) The base rates for these classes of service cover the provision of service within the Main or Locality Base Rate Area. When these services are supplied outside the Main or Locality Base Rate Area, mileage charges shall apply in addition to the base rate, except that four-party mileage charges do not apply in Designated Four-Party Exchanges.

(c) Mileage shall be measured from the nearest Main or Locality Base Rate Boundary to the subscriber's location.

(d) **Rates**

Per one-quarter mile or fraction thereof, per month:

One-Party and Semi-Public Service	$ .95
Four-Party	.15

450. EXCHANGE PRIVATE LINE MILEAGE

(a) This is the airline measurement applying to a circuit located within one exchange area leased to a subscriber for communication between two or more points and having no connection with the switched network.

(b) **Rates**

Per one-quarter mile or fraction thereof, per month	$2.15
Minimum monthly charge	4.30

Item **MILEAGE REGULATIONS AND RATES (Cont'd)**

460. EXTENSION LINE MILEAGE

(a) This is the measurement applying to that part of an exterior extension circuit or off premises System Terminal for the use of which a charge is made in addition to the extension or System Terminal Rate.

(b) This mileage shall be measured airline between the points involved. If the points terminate in different exchange areas inter-change private line mileage shall apply. (Item 480).

(c) **Rates**

Per one-quarter mile or fraction thereof,
per month $1.15

470. FOREIGN EXCHANGE LINE MILEAGE

(a) This is the measurement applying to a circuit connecting a subscriber to an exchange area other than that from which he would normally be served. The mileage shall be the toll rate distance between the foreign exchange area and the subscriber's normal exchange area. Regular exchange line mileage shall also apply if the service is outside the Main or Locality Base Rate Area of the normal exchange.

(b) **Rates**

Monthly rates shall be those under Inter-Exchange Private Line Mileage rates. (Item 480).

480. INTER-EXCHANGE PRIVATE LINE MILEAGE

(a) This is the measurement applying to a circuit which terminates in different exchange areas. The mileage shall be the toll rate distance between the respective exchanges.

(b) Local circuits shall be provided at a charge of $10.85 each per month within the Main or Locality Base Rate Area of each exchange in which the inter-exchange circuit terminates. Regular exchange line mileage shall apply in addition, when the circuit terminates outside the Main or Locality Base Rate Area of any of the inter-connected exchanges.

Item **MILEAGE REGULATIONS AND RATES (Cont'd)**

480. INTER-EXCHANGE PRIVATE LINE MILEAGE (Cont'd)

(c) **Rates**

MILEAGE BAND	MONTHLY RATE	MILEAGE BAND	MONTHLY RATE
1	$ 10.55	22	$185.50
2	20.30	23	192.80
3	30.05	24	199.70
4	39.80	25- 26	202.25
5	49.55	27- 29	209.60
6	59.25	30- 32	235.70
7	68.85	33- 35	260.95
8	77.40	36- 38	287.25
9	83.25	39- 41	311.75
10	89.75	42- 44	323.25
11	96.25	45- 48	341.75
12	104.40	49- 52	376.50
13	117.15	53- 56	407.75
14	126.10	57- 60	432.50
15	133.90	61- 65	450.00
16	142.15	66- 70	474.50
17	143.60	71- 76	509.75
18	151.15	77- 83	553.00
19	158.50	84- 91	605.75
20	165.90	92-100	644.25
21	178.00	101-110	677.00

490. PRIVATE PROPERTY MILEAGE

(a) **This is an airline measurement applying to that portion of a circuit on private property, for the exclusive use of a subscriber, which extends beyond one-quarter mile from the main pole line or distribution point.**

(b) **Rates**

Per one-quarter mile or faction thereof, in excess of one-quarter mile, per month .... $ .95

RESERVED FOR FUTURE USE.

Item **PUBLIC AND SEMI-PUBLIC TELEPHONE SERVICE**

500. **PUBLIC TELEPHONE SERVICE**

1. **GENERAL**

Public Telephone Service is a form of exchange service furnished primarily to make outgoing telephone service available to the general public by means of telephones equipped with coin collecting devices. Public Telephone Service is furnished at indoor and outdoor locations selected by the Company.

2. **SERVICE AND EQUIPMENT**

(a) Public Telephone Service is furnished on an individual line basis.

(b) Public Telephones are not normally listed in telephone directories.

(c) Booths are furnished and installed by the Company under conditions outlined in Item 560.

3. **RATES**

(a) Local messages originating at public telephones are charged for at the rate of 10 cents each.

(b) Long Distance service is furnished at regular Long Distance message rates as set out in Item 1040.

(c) Monthly Exchange Service Rates and Service Request Charges do not apply.

(d) In return for the space occupied by the public telephone and booth equipment, and for commercial power supplied at some locations, the owner or tenant of the premises on which the service is installed is paid a commission of 10% on all money collected. No Commission shall be paid on Government Tax.

Item PUBLIC AND SEMI-PUBLIC TELEPHONE SERVICE (Cont'd)

510. SEMI-PUBLIC TELEPHONE SERVICE

1. GENERAL

(a) Semi-Public telephone service is furnished as main telephone service at the discretion of the Company at locations:

(1) Where there is a combination of public and subscriber use, such that the provision of public telephone service is not warranted.

OR

(2) Where there is collective use of the service by guests, or other occupants of the premises, such that business service is unsuitable.

2. SERVICE AND EQUIPMENT

(a) Semi-public telephones are equipped with coin collection devices and are furnished on an individual line basis.

(b) Semi-public telephones are normally listed in telephone directories in accordance with directory regulations. (Section E-23).

(c) Booths are furnished and installed by the Company under conditions outlined in Item 560.

(d) Semi-public telephone receipts are collected periodically. If the receipts for local messages are not sufficient to cover the minimum guarantee for the period, the subscriber must pay the difference, the amount becoming due upon receipt of the bill.

(e) Receipts in excess of the minimum guarantee for the period are not credited against shortages for any other collection period, nor against amounts due for additional equipment or facilities provided.

3. RATES

(a) Local messages originated at semi-public telephones are charged for at the rate of ten cents each.

(b) Long Distance service is furnished at regular Long Distance message rates as set out in Item 1040.

Item **PUBLIC AND SEMI-PUBLIC TELEPHONE SERVICE (Cont'd)**

510. **SEMI-PUBLIC TELEPHONE SERVICE (Cont'd)**

3. **RATES (Cont'd)**

(c) Exchange Line Mileage rates as stated in Item 440 shall apply when service is located outside the Main or Locality Base Rate Area.

(d) Service Request Charges (Item 360) for business service shall apply except when a move or change is originated by the Company.

(e) The minimum daily local service revenue guarantee from each semi-public telephone is as follows:

Rate Group	1	$ .68
	2	.81
	3	1.20
	4	1.42

Item

MISCELLANEOUS EQUIPMENT

520. GENERAL

(a) The following equipment is provided at the rates herein specified.

(b) The rates quoted in this General Tariff contemplate the use of standard equipment involving standard wiring. Where special arrangements or assemblies of equipment are necessary, the rates for such shall be determined by the costs involved.

(c) Telephone equipment shall be provided in standard types of finish to meet general requirements. When finished to meet special requirements, a charge shall be made to cover the cost of providing the special type of finish desired, including the cost of reconverting to the original design or finish.

530. AUTOMATIC ANSWERING EQUIPMENT

This equipment answers incoming calls on one line only and transmits an answering message. One tape shall be provided and replaced without charge when worn out. This equipment shall be installed on one-party lines and system stations only. The subscriber is required to provide 110 volt A.C. electric power.

Monthly Rate $17.50

The Minimum Contract period for this equipment shall be 6 months.

540. AUTOMATIC ANSWERING AND RECORDING EQUIPMENT

This equipment answers incoming calls on one line only, transmits a pre-recorded answer message and records a message from the calling party for later playback. One recording tape and one answering tape shall be provided and replaced without charge when worn out. This equipment shall be installed on one-party lines and system stations only. The subscriber is required to provide 110 volt A.C. electric power. No service request charge applies for the provision of additional remote command access units where applicable.

The Minimum Contract period for this equipment shall be 6 months.

THE ISLAND TEL. CO. LTD. **Section E-14**
GENERAL TARIFF **Sheet 2**

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

540. AUTOMATIC ANSWERING AND RECORDING EQUIPMENT (Cont'd)

Monthly Rates:

10 minute recording capacity	$19.25
30 minute recording capacity (existing installation only)	28.00
30 minute recording capacity (with remote command)	34.75
Additional access units for remote command	2.90
120 minute recording capacity	45.00

550. AUTOMATIC DIALING EQUIPMENT

This equipment offers single button dialing of any of thirty-two stored telephone numbers selected by the subscriber. This equipment shall be installed on one-party lines and system stations only.

Monthly Rate $12.75

560. BOOTHS

Booths shall be supplied without charge at public telephone locations when warranted by the character of the location and the revenue derived. They may be placed in other locations at a monthly rate. When a booth is arranged for lighting, the subscriber shall provide the electrical outlet and power, except that the Company shall ordinarily provide power for outdoor booths.

Monthly Rate .... $ 5.00

570. BELLS

The following types of extension bells are provided:

Monthly Rates

Ordinary Bells (interior)	$ .60
Ordinary Bells (exterior within 50 feet)	.75
Ordinary Bells (exterior 50 - 500 feet)	1.00
Loud Ringing (interior)	.75
Loud Ringing (exterior, within 50 feet)	1.00
Loud Ringing (exterior, 50 - 500 feet)	1.15
Bell Chime	1.45

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

580. CIRCUIT CLOSING DEVICE

This is an apparatus designed to open or close an electric circuit.

Monthly Rate	$ 2.05

590. CORDS

Cords longer than those normally provided may be supplied at a subscribers request. A non-recurring charge applies for the installation of each cord so provided. The non-recurring charge does not apply when a subscriber takes over service where cords are in place.

Non-recurring Charge	$ 5.00

600. JACK AND PLUG EQUIPMENT

This equipment permits the use of a telephone on a portable basis by means of jacks and telephones equipped with plugs. A non-recurring charge applies for the installation of each jack so provided. The non-recurring charge does not apply when a subscriber takes over service where jacks are in place.

Jacks, interior Non-recurring charge	$ 5.00
Jacks, exterior Non-recurring charge	$25.00

610. TELEPHONE SETS

1. GENERAL

Telephones of various types or having special features are available and may be supplied upon request. A brief description of those available, their use, and respective rates and charges follow.

Item

MISCELLANEOUS EQUIPMENT (Cont'd)

610. TELEPHONE SETS (Cont'd)

2. ATTENDANT'S TELEPHONE

These telephones, which include a head receiver and transmitter, may be furnished in addition to the handset normally provided.

Monthly Rate:	Regular type	$1.30
	Lightweight type	$3.15

3. CONTEMPRA TELEPHONES

A telephone which incorporates the dial or Touch Tone pad, receiver, transmitter and dial-tone recall button in the hand set. In addition to all other rates and charges:

Monthly Rate	$1.95

4. DECORATOR TELEPHONES

These are telephones of antique or luxury design. In addition to all other rates and charges:

Monthly Rate:	Decorator	$4.40
	Upright "Candlestick"	$3.15

5. ERICOFON

A one piece upright telephone, with the dial in the base. This telephone is for extension use only. In addition to all other rates and charges:

Monthly Rate (existing installation only)	$1.05

6. EXCLUSION TELEPHONE

A telephone equipped to cut off a line which terminates an extension telephone or bell. In addition to all other rates and charges:

Monthly Rate	$ .60

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

610. **TELEPHONE SETS (Cont'd)**

7. **OUTSIDE TELEPHONE**

A telephone contained in a weatherproof box and designed for use at locations exposed to the weather. In addition to all other rates and charges:

Monthly Rate	$5.35

8. **PRINCESS TELEPHONE**

This is a compact telephone equipped with an illuminated dial and night light.

Montly Rate (existing installations only)	$1.05

9. **PRIVATE LINE TELEPHONES**

Telephones for use on private lines shall be charged for in addition to all other rates and charges:

Monthly Rate	$4.40

10. **SPEAKERPHONE**

A telephone equipped with microphone, control button and loudspeaker to provide "hands free" operation. In addition to all other rates and charges:

Monthly Rate	$9.90

11. **TWO-LINE TELEPHONES**

A telephone equipped for alternate connection to two lines. In addition to all other rates and charges:

Monthly Rate	$1.35

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

610. TELEPHONE SETS (Cont'd)

12. THREE-LINE TELEPHONES

(a) **For existing installations only. This is a telephone equipped with Wiring Plan #204. This wiring plan will only continue to be provided while it meets the service standard. In addition to all other rates and charges:**

Monthly Rate $1.20

(b) **For new installations. A six button telephone equipped for pick-up and hold of up to 3 lines with partial illumination and signal features. In addition to all other rates and charges:**

Monthly Rate $5.00

13. VOLUME CONTROL TELEPHONES

(a) **Receiver amplifier for use by subscribers with impaired hearing.**

(b) **Transmitter-amplifier for use by subscribers with weak speech.**

(c) **Noisy location telephone equipped with a receiver-amplifier and a push-to-listen switch, reducing background noise.**

Monthly Rates

In addition to all other rates and charges:

Receiver-amplifier	**$1.90**
Transmitter-amplifier	**$2.60**
Noisy location	**$2.90**

620. TOUCH TONE SERVICE

(a) **This service provides for the originating of telephone calls by means of tones, using a telephone equipped with push buttons instead of a dial.**

(b) **This service is furnished with all classes of service.**

(c) **This service shall only be provided where suitable central office facilities are available.**

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

620. TOUCH TONE SERVICE (Cont'd)

Monthly Rates

In addition to all other rates and charges:

(1) RESIDENCE AND BUSINESS SERVICE

Residence Service — per line	$2.75
Business Service — per line	$3.40

(2) SYSTEM SERVICE

See Section E-16 for Monthly Rates.

630. VISUAL SIGNALS

Monthly Rates

Lamp —	Beehives Lens	
	1 lamp indicator	$ .65
	2 lamp indicator	$ .80
	3 lamp indicator	$1.20
Lamp —	Small Lens, surface mounting	
	3 lamp indicator	$ .80
	4 lamp indicator	$1.20

640. VOICE RECORDING CONNECTOR EQUIPMENT

(a) Voice recording connector equipment shall be furnished at the following rates:

Monthly Rate each unit	$5.00

(b) The subscriber may connect voice recording equipment to the facilities of the Company only through voice recording connector equipment supplied by the Company. Voice recording equipment shall be such as to operate when the voice recording equipment is in use. The voice recording equipment shall be so arranged that at the will of the user it may be physically connected to or disconnected from the facilities of the Company, or switched on and off. The operating characteristics of such equipment must be such as not to interfere with

Item **MISCELLANEOUS EQUIPMENT (Cont'd)**

640. **VOICE RECORDING CONNECTOR EQUIPMENT (Cont'd)**

(b) any services of the Company. Upon notice from the Company that such equipment is causing, or is likely to cause, hazard or interference, the subscriber must make such changes as are required to remove or prevent such hazard of interference. The company may at any time disconnect voice recording equipment which interferes with the services of the Company.

(c) No recording connector equipment shall be installed in connection with public or semi-public telephone service.

(d) Voice recording connector equipment shall automatically produce a distinctive recorder tone which is repeated at intervals of approximately fifteen seconds when the voice recording equipment is in use, except that at the option of a full period private line subscriber the Company may install voice recording connector equipment which does not automatically produce the tones.

(e) The subscriber shall indemnify and save the Company harmless against claims for libel, slander or infringement of copyright arising from the improper use of material transmitted over its facilities and recorded; against claims of infringement of patents arising from combining with, or using in connection with, facilities of the Company apparatus or systems belonging to the subscriber; and against all other claims arising out of any act or omission of the subscriber in connection with facilities provided by the Company.

THE ISLAND TEL. CO. LTD. Section E-15
GENERAL TARIFF Sheet 1

Item **EXTENSION TELEPHONES**

650. **GENERAL**

(a) Extension telephones shall be provided in connection with all classes of exchange service except Public and Semi-Public Telephone service.

(b) Where either the main or extension telephone is at a business location, business rates shall apply to the entire installation.

(c) When an extension is equipped so that it may be switched to either of two lines having different classes of service, with different extension rates, the higher extension rate shall apply.

(d) Separate telephone numbers or other distinctive designations shall not be permitted in connection with extension telephones.

660. **OFF PREMISES EXTENSIONS**

Extension telephones should be located ordinarily on the same premises as the main telephone except that when suitable facilities are available extensions may be located at the following off-premise locations so long as standard transmission requirements are satisfied:

(1) On any premises of the same subscriber, subject to the condition of the clause above.

(2) On premises other than those of the subscriber, provided that a separate service is subscribed for at such premises. In all such cases, extensions are installed subject to any construction, mileage or equipment charges applicable under this tariff.

670. **EXTENSION RATES**

The monthly rates for each extension shall be as follows. Regular extension line mileage rates shall apply in addition for any exterior or off-premise extensions.

Rate Group	Business	Residence
1.2	$2.40	$1.45
3,4	$2.75	$1.60

THE ISLAND TEL. CO. LTD. **Section E-16**
GENERAL TARIFF **Sheet 1**

Item

SYSTEM SERVICE

680. GENERAL

(a) System Service provides access to and use of the telephone network and may also provide intercommunication ability within the customer premise.

(b) System Service consists of individual telephone Terminals which can access the telephone network and includes use of the network.

(c) Basic System Service may be supplemented with a variety of operating services.

(d) Power to operate System Service shall be provided by the customer and shall conform to the Company's requirements for the system type concerned.

(e) Conduit or other materials necessary for concealed wiring shall be provided and installed by the customer.

(f) Special features and provisions for Terminal or Network Service growth are supplied subject to limitations of the specific equipment utilized to provide System Service, as determined by the Company.

690. SYSTEM SERVICE CLASSIFICATION

(a) 101 — Provides for multi-button Terminals, line illumination, and line hold.

102 — Provides all the features of 101 plus one intercommunicating path with automatic signalling.

(b) 201 — Provides centralized control a manual attendant's position, intercommunication via the attendant, and manual switching from Terminals to Network Service.

(c) 301 — (Destandardized) Provides centralized control and automatic switching from Terminals to Network Service, and intercommunication with automatic switching and signalling.

THE ISLAND TEL. CO. LTD. **Section E-16**
GENERAL TARIFF **Sheet 2**

Item **SYSTEM SERVICE (Cont'd)**

690. SYSTEM SERVICE CLASSIFICATION (Cont'd)

(c) **302** — Provides all the services of 301 as well as add on, call transfer and consultation hold.

303 — Provides all the service of 302 as well as enhanced services.

(d) **401** — Provides Network Service directly to the associated terminals, and intercommunication with automatic switching and signalling, call transfer, add-on, consultation hold, and optional features.

700. COMBINING OF SERVICES

Two or more System Service classifications may be combined and rated individually.

710. MONTHLY RATES

Rates for all System Service Classifications except Classification 401 are based on:

(1) Units of Network Service to service call carrying requirements.

(2) Terminal capacity and the actual number of terminals provided.

	Dial	Touch Tone *
1. Business Network Service		
Rate Group 1 per unit	$20.90	$25.00
Rate Group 2 per unit	23.90	28.00
Rate Group 3 per unit	32.50	36.60
Rate Group 4 per unit	37.50	41.60
Residence Network Service		
Rate Group 1 per unit	$13.75	$17.85
Rate Group 2 per unit	14.40	18.50
Rate Group 3 per unit	15.75	19.85
Rate Group 4 per unit	16.35	20.45

* Touch Tone is not available on new installations of System classification 201 and 501.

Touch Tone is available on System 302 and 601 with an initial contribution to capital cost calculated on an individual case basis.

THE ISLAND TEL. CO. LTD. Section E-16
GENERAL TARIFF Sheet 3

Item **SYSTEM SERVICE (Cont'd)**

710. **MONTHLY RATES (Cont'd)**

2. 101 — 102

	101	102
Terminal, per unit		
6 Button	$ 6.30	$ 9.10
10 Button	9.45	12.25
12 Button	9.60	12.40
20 Button	16.45	19.25
30 Button	21.20	24.00
Optional Services		
Special Circuit Access-Manual, ea	$ 5.25	$ 5.25
Touch Tone Service-per terminal	NIL	.55
Additional Intercom Path	N/A	5.00
Additional Intercom Codes	N/A	3.40

201

	201
Terminal (or equivalent) per unit	$ 3.50
Associated Control	42.20
Optional Services	
Special Circuit Access-Manual, ea	$ 5.25
Night Cords, per unit	.35
Night bridge service per network service unit	3.40

301 — 303

	301	302	303
Terminal (or equivalent) per unit	$ 6.65	$ 7.05	$ 7.85
Associated Control per system	91.00	N/A	115.00
Associated Control			
Up to 50 Terminal Capacity	N/A	105.00	N/A
Up to 90 Terminal Capacity	N/A	126.00	N/A
Up to 180 Terminal Capacity	N/A	161.00	N/A
Up to 270 Terminal Capacity	N/A	204.00	N/A

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-16
Sheet 4

Item

SYSTEM SERVICE (Cont'd)

710. **MONTHLY RATES (Cont'd)**

301 — 303 (Cont'd)	301	302	303
Optional Services			
Touch Tone per terminal	N/A	$ .85	$ .85
Additional Attendants Position, ea.	$85.00	85.00	90.00
Special Circuit Access			
One-Way Automatic, each	16.90	16.90	18.00
Two-Way Automatic, each	23.60	23.60	25.50
Manual, each	5.25	5.25	5.60
Back-Up System Access	6.00	6.00	6.00
Automatic Toll Access Denial per system	35.00	35.00	35.00
Night Cords, per unit	.35	N/A	N/A
Night Bridged Service per telephone number	3.40	3.40	3.40
Terminal Call Control Package per system	N/A	N/A	35.00

3. 401

Monthly rates are based on units of Network Service and a directly associated terminal which is part of a system with a minimum capacity of 150 such terminals.

	Dial	Touch Tone
Main Network Service	$19.75	$21.25
Extension Service	10.25	10.25
Attendants Position	204.00	204.00

Optional Services (where available)	
Special Circuit Access	
One-Way Automatic or Manual	$38.10
Two-Way Automatic	54.00
Call Pick-Up (per stn.)	.25
Call Forwarding (per stn.)	.25
Call Waiting (per stn.)	.25
Special Set (provide Direct Access to features, hold, on hook dialing touch calling	12.00
Special Set Digital Display (provides all the features of Special Set plus digital display	16.00
Hands Free Remote (provides all the features of Special Set plus hands free operation	20.00

Approved P.U. Comm. P.E.I.

Effective: February 1, 1981

Item

HOTEL SYSTEM SERVICE

730. GENERAL

(a) Hotel System Service is a service provided primarily for the use of the guests at the hotels and motels, both referred to herein as hotels.

(b) Subscribers to Hotel System Service shall collect and remit to the Company approved charges for messages sent paid or received collect over the telephone network and shall be responsible for the operation of the system on the premises.

(c) The subscriber may require the tenants, guests or patrons of the hotel to pay for service performed by the hotel in connection with the telephone at the following rates and at none other.

Local Messages	$ .25 per message
Long Distance Messages	$ .25 per message

(d) Off premises Terminals will only be provided where required solely for and used exclusively by, guest or management and the conditions outlined in Item 660 are met.

735. HOTEL SYSTEM SERVICE CLASSIFICATION

(a) Hotel System Service is classified into various types according to the service features offered.

(b) 501 — Provides centralized control, a manual attendants position, intercommunication via the attendant, and manual switching from Terminals to Network Service.

(c) 601 — Provides centralized control and automatic switching from Terminals to Network Service, message metering, and intercommunication with automatic switching and signalling.

602 — Provides all the services of 601 plus audible message waiting, flexible numbering plans, attendant digital clock display and flexible night service.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-17
Sheet 2

Item

HOTEL SYSTEM SERVICE (Cont'd)

740. **MONTHLY RATES**

1. Network Service rates will apply for all Hotel Systems Service (E-16, Item 710).

2. 501, 601 — 602

	501	601	602
Terminal (or equivalent), per unit	$ 2.80	$ 6.50	$ 7.25
Associated Control, per system	42.20	N/A	115.00
Associated Control			
Up to 50 Terminal Capacity	N/A	105.00	N/A
Up to 90 Terminal Capacity	N/A	126.00	N/A
Up to 180 Terminal Capacity	N/A	161.00	N/A
Optional Service			
Touch Tone Service per Terminal	$ N/A	$ .85	$ .85
Additional Attendant Position	N/A	85.00	90.00
Night Cords, per Unit	.35	N/A	N/A
Night Bridge Service per telephone number	3.40	3.40	3.40
Automatic Toll Access Denial per System	N/A	35.00	35.00
Message Waiting (Visual) per Terminal	N/A	.80	.80
Hotel Feature Package A per System	N/A	N/A	25.00
Hotel Feature Package B per System	N/A	N/A	50.00
Hotel Feature Package C per System	N/A	N/A	100.00

Item

TELEPHONE ANSWERING SERVICE

750. GENERAL

(a) Telephone answering systems permit the answering at central locations, of calls to subscribers of one-party service and Network Service when such service is unattended.

(b) A circuit is required between the Central Office and the Telephone Answering Board for each line answered by the Telephone Answering Service.

(c) Central Office Line(s) terminating on the telephone answering board for the use of the attendant shall be provided at the tariff rate.

(d) All charges for circuits connecting a subscriber to the telephone answering system will be assumed by that subscriber.

(e) The subscriber who contracts for a Telephone Answering Board is responsible for the payment of all telephone charges associated therewith.

(f) One Attendant's set for each answering position is provided without additional charge.

(g) The minimum service period applicable to telephone answering systems is 3 years.

760. RATES AND CHARGES

(a) The following rates and charges apply to each telephone answering position:

Each Position Equipped For Up to	Monthly Rate
20 lines	$ 70.00
40 lines	70.00
60 lines	87.50
80 lines	87.50
100 lines	87.50

(b) The Service Request Charge as outlined in Section E-7 shall apply to any telephone answering position that is reconnected after having been ordered disconnected and left in place. The initial Service Request Charge shall provide for any subsequent increase in capacity of the position to a maximum of 100 lines.

Item

TELEPHONE ANSWERING SERVICE (Cont'd)

760. **RATES AND CHARGES (Cont'd)**

(c) Central Office Circuits are provided at the following rates to telephone answering systems within 1 mile airline distance of the serving Central Office. Regular extension line mileage rates (Item 460) apply if the telephone answering system is located more than one mile airline distance from the serving central office.

Monthly Rate	$ 7.00

RESERVED FOR FUTURE USE

Item

JOINT USER SERVICE

(Second Party Use)

770. **GENERAL**

(a) Any one-party subscriber may obtain the right to allow the use of his service by another person occupying with him the business premises in which the service is located. The original subscriber shall be responsible for all service charges and toll bills. The rates include one listing of the joint user in the directory.

(b) Joint user service shall be furnished only in connection with one-party and System Service.

(c) Application for joint user service and for additional service or facilities in connection therewith must be made by the original subscriber.

(d) Not more than two joint users are permitted in connection with any subscriber's service.

(e) Extensions, System Service Terminals or miscellaneous equipment may be provided for use of the joint user and charged to him at regular rates.

(f) The minimum contract period for joint user service shall be one month.

(g) The rate for joint user service shall be fifty per cent of the appropriate rate for one-party business service. No mileage charge shall be applicable.

RESERVED FOR FUTURE USE

Item

FOREIGN EXCHANGE SERVICE

780. **GENERAL**

(a) Foreign Exchange Service is exchange service furnished from an Exchange Area other than that in which the subscriber is located.

(b) Foreign Exchange Service is furnished by the methods which best suit plant and operating requirements of the Company. When it is necessary for the Company to install special assemblies of equipment or to incur any unusual expense in order to meet the particular service requirements of a subscriber, a charge may be assessed on the actual cost or expense incurred. (See Item 860)

(c) This service is not in accordance with the general plan of providing telephone service, and is provided only under special conditions and when suitable facilities are available.

(d) One-party service shall be the only class of service so furnished.

(e) **Rates**

The rate for Foreign Exchange Service shall be the appropriate rate in the foreign exchange for the class of service provided including mileage charges, plus the appropriate Foreign Exchange Line Mileage rates provided for in Item 480.

Item

DIRECTORIES AND LISTINGS

790. GENERAL

(a) The regulations and rates herein apply to listings in light face type and bold face type that appear in the alphabetical directory list of subscribers' names and in Directory Assistance records.

(b) No liability for damage resulting from errors in or omissions of, free directory listings shall attach to the Company and, in the case of charged listings the liability shall be limited to, and satisfied by the refund of charges for each listing for the period during which the error or omission occurs.

8.00 DIRECTORIES

(a) Directories contain alphabetical lists of telephone subscribers. The listing of each subscriber shall contain sufficient information to avoid confusion between the listings of subscribers bearing similar names.

(b) Directories shall be clearly and legibly printed and in type of such size as may from time to time be approved by the Commission.

(c) Directories shall be printed and distributed periodically to all subscribers, one copy for each main telephone, business extension and System Service station. And additional copy for each residence extension will be provided on request.

810. LISTINGS

(a) The Company provides one listing in light face type without charge in the alphabetical directory list for the serving exchange.

(b) The Company reserves the right, upon proper notice, to discontinue any listing which is found to be contrary to the law or to regulations found in this section.

(c) Listings in connection with the service of a subscriber or joint user must be authorized by the subscriber to such service. Listings in the names of persons, firms or corporations who are not subscribers, or of any trade name, must be authorized by such persons, firms or corporations or by the proprietor of such trade name, and are subject to the Tariff regulations governing acceptable listings.

Item **DIRECTORIES AND LISTINGS (Cont'd)**

810. **LISTINGS (Cont'd)**

(d) When two or more central office lines or System Service lines furnished for the same subscriber are arranged in a group for equivalent service, only one telephone number shall be listed.

1. **PRIMARY LISTINGS**

(a) The primary listing is the principal listing of the subscriber's or joint user's service.

(b) Each listing shall consist of the following:

(1) The name of the subscriber or joint user.

(2) The standard designation for business service. If the subscriber or joint user is engaged in more than one line of business, the designation is that of the principal business or some suitably descriptive term. If the listed name of the subscriber or joint user indicates the nature of his business, the designation shall be omitted.

(3) The address of the premises at which service is furnished except that when, in the opinion of the Company, special conditions warrant, the address may be of other premises or may be omitted.

(4) The telephone number of the service.

2. **EXTRA LISTINGS**

Extra listings are provided in addition to the primary listing to facilitate the use of the alphabetical directory list and Directory Assistance Service. Extra listings which, in the opinion of the Company are worded to secure a preferential position in the alphabetical list or other undue prominence, shall not be provided. Rates are as contained in Item 840.

3. **BOLD TYPE LISTINGS**

Bold type listings consist of the name in bold face type and the address and telephone number in light face type. Rates, as set forth in Item 840, apply according to the exchange grouping in Item 170.

Item DIRECTORIES AND LISTINGS (Cont'd)

820. **MINIMUM SERVICE PERIOD FOR CHARGEABLE LISTINGS**

(a) Charges for listings are effective from the date of the issue of the directory, except when listings are placed in Directory Assistance records by request of the subscriber prior to the directory delivery. In such cases charges apply from the date Directory Assistance records are posted.

(b) The minimum service period for chargeable listings which appear in the directory is the effective period of such directory, except that charges may be cancelled prior to the expiration of such directory period when the subscriber service is terminated or when the listed party or joint user moves to another location or if the listed party ceases to be a subscriber to exchange service.

830. **OMISSION OF LISTINGS**

(a) Normally all subscriber services are listed. The primary listing may be omitted from the alphabetical directory, the Directory Assistance record, or both, when requested by the subscriber.

1. **NON-PUBLISHED SERVICE**

(a) When a subscriber listing is omitted from both the alphabetical directory and the Directory Assistance record, it shall be classed as a Non-Published Service and provided at the rate established. (Item 840)

(b) It is the subscriber's responsibility to communicate his telephone number to all persons from whom he desires to receive calls however the Company does not guarantee the security of the number.

(c) Under no circumstances will a Non-Published number be available from a Directory Assistance Operator.

(d) There shall be no charge to establish this service, however, a charge shall apply when a subscriber requests a change of a non-published number. (See Item 360 (a))

2. **NON-LISTED SERVICE**

(a) When a subscriber listing is omitted from the alphabetical directory only, it shall be classed as a Non-Listed Service and provided at the rate established. (Item 840)

Item **DIRECTORIES AND LISTINGS (Cont'd)**

830. **OMISSION OF LISTINGS (Cont'd)**

2. **NON-LISTED SERVICE (Cont'd)**

(b) Non-Listed numbers are available only from the Directory Assistance Operator.

(c) There shall be no charge to establish this service, however, a charge shall apply when a subscriber requests a change of a non-listed telephone number. (See Item 360 (a))

840. **MONTHLY RATES**

Extra Listings (Light face type)	
Residence	$ .60
Business	.90
Non-Published Service	1.75
Non-Listed Service	1.75

Bold Type Listings	Rate Group	
	1	$ .95
	2	1.35
	3	2.30
	4	2.70

850. **DIRECTORY ASSISTANCE CHARGE**

1. **GENERAL**

A charge of $ .25 applies for each telephone number provided by the Company's Directory Assistance Operator when the telephone number provided appears in the most recent telephone directory provided to the subscriber.

2. **EXCEPTIONS**

(a) Up to three such numbers may be provided by Directory Assistance without charge, to each subscriber, in every billing period.

(b) No charge shall be made for the provision of such telephone numbers to persons calling from Public or Semi-Public telephones, Hotel System Service and Mobile Telephone Service.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-23
Sheet 5

Item

DIRECTORIES AND LISTINGS (Cont'd)

850. DIRECTORY ASSISTANCE CHARGE (Cont'd)

2. EXCEPTIONS (Cont'd)

(c) No charge shall be made for the provision of such telephone numbers to persons calling from federally or provincially registered hospitals or those administered by the Provincial or Federal Governments.

(d) No charge shall be made for the provision of such telephone numbers to residence services registered with the Company when the subscriber or other members of the household is unable to use the telephone directory due to a permanent disability which is certified by an organization or individual acceptable to the Company. If the Company fails to find any such certification acceptable, the subscriber may appeal to the Commission for a final determination as to whether an exemption should be permitted.

(e) For the provision of such numbers when the calling party indicates that an emergency situation exists.

(f) Therre shall be no charge where the number requested cannot reasonably be found by a caller because of error in the listing or unusual spelling of the name of the party whose number is requested.

Item

EXTRA CONSTRUCTION CHARGES

860. GENERAL

(a) Rates and charges quoted for exchange service provide for the furnishing of telephone service where plant facilities are available or where the construction of the necessary facilities does not involve unusual costs.

(b) Subscribers are required to contribute towards the cost of any unusual construction whenever, in the opinion of the Company, the cost of such construction is excessive. No positive rule can be given as each must be determined on its own merits subject to the Commission's approval in case of dispute.

(c) Construction charges are payable at the time of application or when the account is rendered, at the option of the Company.

870. CONSTRUCTION ON PRIVATE PROPERTY

(a) Applicants ordinarily shall be required to bear the cost of construction and maintenance of all poles or underground facilities placed on private property, except that no charge shall be made where the facilities are to be used as part of a general distribution scheme such as to carry circuits serving subscribers in general, or as a part of a trunk line.

(b) The subscriber ordinarily shall be required to provide the construction on private property, and such construction will be accepted for use subject to the approval of the Company. If the subscriber desires, the construction shall be performed by the Company at the subscriber's expense.

(c) Joint use with other companies shall be allowed under the Company's specifications for joint use.

(d) All circuits on private property are furnished and maintained by the Company except that the Company may lease circuits in a privately owned cable provided such cable meets the Company's engineering specifications.

Item **EXTRA CONSTRUCTION CHARGES (Cont'd)**

880. **INTERIOR CONSTRUCTION**

(a) Exposed wiring is the standard method of wiring in all buildings. When concealed wiring is desired the applicant is charged the difference, if any, between the installation costs of concealed wiring and the costs that would occur under standard methods. If, however, suitable interior conduit is provided by the applicant, the wiring will be installed therein by the Company without additional charges.

(b) At the request of an applicant or subscriber, the Company will install the conduit and bill for the material and labour involved.

(c) Where, due to unusual or peculiar construction of the building occupied by the applicant or subscriber, it is necessary to employ non-standard methods of wiring or installation, such as where drilling in concrete floors is necessary, the Company shall have the right to require that the applicant or subscriber to bear the unusual expense involved.

RESERVED FOR FUTURE USE

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-26
Sheet 1

Item

RENTAL OF POLE SPACE

890. **GENERAL**

(a) The Company may rent attachment space on its poles to other companies or individuals for the purpose of carrying their facilities.

(b) Where attachments necessitate the installation of protective equipment or involve other measures to safeguard the Company's plant or employees, the expense involved is to be borne by those renting the space.

(c) Rates may be established on a mutually reciprocal basis and vary with the conditions and facilities involved. These rates require the approval of the Commission.

Item

DUPLICATE SERVICE

900. **GENERAL**

(a) A subscriber may be furnished with duplicate service i.e., one-party service in two locations in the same Central Office district with the lines serving these locations connected together at the exchange.

(b) In all cases the rate shall be the regular rate for one-party service at each location.

(c) The appropriate Service Request Charge shall apply in each case.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section E-28
Sheet 1

Item

LOCAL CONFERENCE SERVICE

910. GENERAL

(a) Local Conference service is the furnishing where and to the extent that existing facilities permit, of connections between three or more main telephones or System Service Terminals within the same Local Service Area, at the same time, so that each may communicate with all the others.

(b) One class of service only is offered whether the call is to a specified person or specified telephone. The Company, upon request, undertakes to arrange for the establishment of a conference connection at a specified time.

(c) Reversal of charges on conference calls is not permitted.

920. RATES AND CHARGES

For each main telephone or System Service line in excess of the originating telephone the rates are as follows:

First 3 minutes or fraction thereof	$ .50
Each additional minute or faction thereof . .	.05

Item **MOBILE TELEPHONE SERVICE**

930. **GENERAL**

(a) Mobile Telephone Service may be provided, subject to availability of the service and transmission limitations, in any suitable type of vehicle or craft.

(b) Mobile Telephone Service shall be provided to customers who supply, install and maintain their own mobile telephone equipment which the Company deems technically compatible with the Company's facilities.

(c) Mobile Telephone Service listings may be deleted from the alphabetical directory or Directory Assistance records without charge.

940. **SUBSCRIBER OBLIGATION**

(a) The subscriber shall bring the vehicle to the Company's mobile repair shop for installation and maintenance. For watercraft the subscriber shall bring the craft to a suitable location as near the shop as possible.

(b) The subscriber shall provide battery power and noise supressor for the operation of the mobile telephone unit and connection outlets of a type approved by the Company.

950. **SCOPE OF SERVICE**

Mobile Telephone Service is furnished between non-mobile and mobile telephones and between mobile and mobile telephones within an Exchange Area or Local Service Area in which the Company's Radio-Telephone Base Station connects to the non-mobile network.

(a) **Messages within an Exchange or Local Service Area:**

(1) Those between a non-mobile telephone and any mobile telephone served through a base station located in the same Exchange or Local Service Area as the non-mobile telephone.

(2) Those between any two mobile telephones served through the same base station.

THE ISLAND TEL. CO. LTD. **Section E-29**
GENERAL TARIFF **Sheet 2**

Item **MOBILE TELEPHONE SERVICE (Cont'd)**

950. **SCOPE OF SERVICE (Cont'd)**

(b) **Messages beyond an Exchange or Local Service Area:**

(1) Those between a non-mobile telephone and any mobile telephone served through a base station located outside of the Exchange or Local Service Area in which the non-mobile telephone is located.

(2) Thos between any two mobile telephones served through different base stations.

960. **RATES AND CHARGES**

(a) Rates consist of a minimum monthly charge for each Mobile telephone. In addition a message charge, based on the length of conversation, applies to all messages originating or terminating at a mobile telephone.

(b) The minimum monthly charge varies according to the number of Exchanges or Local Service Areas in which a customer has Mobile Telephone Service.

(c) A Service Request Charge applies to the initial establishment of any company-provided unit or for establishing service for a customer-provided unit as contained in Item 360.

(d) Channels may be purchased at the rate shown for additional Exchange or Local Service Areas. All channels available in an Exchange or Local Service area are included in the monthly rate. No Service Request Charge applies if these are provided at the time of the initial installation.

Item

MOBILE TELEPHONE SERVICE (Cont'd)

960. **RATES AND CHARGES (Cont'd)**

(e)

	Monthly Rate
Company Provided:	
Single Exchange or Local Service Area	$44.25
Each additional Exchange or Local Service Area	2.90
External Car Horn Feature	3.50
Customer Provided:	
Single Exchange or Local Service Area	$31.50
Each additional Exchange or Local Service Area	2.90

(f) **Messages within an Exchange or Local Service Area:**

Initial minute or fraction thereof	$ .15
Second minute or fraction thereof	.20
Each additional minute or fraction thereof	.25

(g) **Messages beyond an Exchange or Local Service Area:**

Messages either originating or terminating beyond an Exchange or Local Service Area shall be billed at regular Operator Handled, Long Distance Rates, either Station-to-Station or Person-to-Person depending on the classification of the call. No message rate applies.

The long distance rate measurement is as follows:

Between the appropriate toll rate centers for the base station and the non-mobile telephone involved where the call is between a mobile telephone and a non-mobile telephone.

Between the appropriate toll rate centers for the respective base stations where the call is between two mobile telephones.

Item

LONG DISTANCE SERVICE

970. GENERAL

(a) Long Distance Service is telephone communication between Exchange Areas where Extended Area Service is not provided.

(b) The Long Distance Service Rate Schedule described herein shall apply to all long distance traffic within the territory of the Company.

980. CLASSES OF SERVICE

1. STATION-TO-STATION SERVICE

(a) Station-to-Station service is intended to cover all calls where the calling subscriber does not require connection with any specified person at the called location, but places his call by Direct Distance Dialing or by specifying only the number of the telephone called.

(b) There are two types of Station-to-Station calls:

(1) **CUSTOMER DIALED CALLS**

This type of call applies to all calls not requiring operator assistance, that is, Direct Distance Dialed calls or their equivalent and, also includes Coin telephone calls.

(2) **OPERATOR HANDLED CALLS**

This type of call applies to all Station-to-Station calls requiring the assistance of an operator, and include: collect, credit card, third number, time and charge, Hotel/Motel, Zenith and Mobile Telephone calls. A surcharge shall apply to such calls.

2. PERSON-TO-PERSON SERVICE

(a) Person-to-Person service is intended to cover all calls where the calling subscriber specifies that communication is required with some specified person at the called location.

(b) A surcharge applies to Person-to-Person calls.

(c) No additional surcharge shall be applied on Person-to-Person calls that are collect, third number, credit card, time and charge, Hotel/Motel or Mobile Telephone calls.

Item **LONG DISTANCE SERVICE (Cont'd)**

980. **CLASSES OF SERVICE (Cont'd)**

2. **PERSON-TO-PERSON SERVICE (Cont'd)**

(c) No time of Day Discount shall apply to the Person-to-Person differential.

990. **CLASSES OF CALLS**

1. **APPOINTMENT CALLS**

Appointment calls are those which provide that communication is to take place at a specified future time. The rates for Appointment calls will be the same as those for Person to Person calls.

2. **MESSENGER CALLS**

Messenger calls are those requiring a messenger to get the called party to the called telephone. The rates for Messenger calls will be the same as for Person to Person calls, plus any charges that may be required for the service of messengers.

3. **COLLECT CALLS**

Collect calls are calls on which the charges are "reversed", i.e. to be collected from the subscriber of the called telephone. Such calls shall take the appropriate Operator Handled surcharge.

1000. **INITIAL AND ADDITIONAL PERIODS**

(a) Rates for service are expressed in terms of initial and additional periods. The initial period is the interval of time allowed, at the rate expressed, for a Long Distance connection between given points. The additional period is the unit of time used for measuring and charging for time in excess of the initial period.

(b) Initial period rates are for connections of one minute or any fraction thereof on all Customer Dialed Calls and Operator Handled Calls except for prepaid Coin Telephone Calls for which the initial period is three minutes or any fraction thereof.

(c) Additional period rates are for each minute or any remaining fraction that the connection continues beyond the initial period. The Customer Dialed additional rate per minute applies to the additional portion on all classes of calls.

Item LONG DISTANCE SERVICE (Cont'd)

1010. **TIMING OF MESSAGES**

(a) In the case of station-to-station service, chargeable time begins when connection is established between the calling telephone and the called telephone or System Service.

(b) In the case of person-to-person service, chargeable time begins when connection is established between the calling person and the called person, department, office or System Service Station.

(c) Chargeable time ends when the disconnect signal is received either by the operator handling the call or by the Company's automatic message accounting equipment.

1020. **LONG DISTANCE RATES FOR DAY AND EVENING PERIODS**

(a) Rates for service apply according to the day of the week and the time of day in which the service is provided. Day, evening, and late evening rates are determined by the local time of day (daylight saving time if such be in effect) at the point at which the call originates.

(b) Time of Day Discounts apply to the Customer Dialed portion of the rate on all classes of calls, but do not apply to the Station-to-Station Surcharge or the Person-to-Person Differential. Discounts on Coin telephone calls shall be calculated to the nearest 5 cents.

(c) Time Periods and Discount Rates:

(1) Daily — Except Sundays and Statutory Holidays.

8:00 a.m. to 6:00 p.m. — regular rates
8:00 p.m. to 10:00 p.m. — 30% discount
10:00 p.m. to 8:00 a.m. — 50% discount

(2) Sundays and Statutory Holidays

8:00 a.m. to 10:00 p.m. — 30% discount
10:00 p.m. to 8:00 a.m. — 50% discount

1030. **STATUTORY HOLIDAYS**

For the purpose of these regulations, the following holidays shall be considered as Statutory Holidays: New Year's Day, Good Friday, Dominion Day, Labour Day, Thanksgiving Day, and Christmas Day.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section T-1
Sheet 4

Item **LONG DISTANCE SERVICE (Cont'd)**

1040. LONG DISTANCE SERVICE — RATE SCHEDULE

MILEAGE			CUSTOMER DIALED		OPERATOR HANDLED		PREPAID COIN
			SEE "A"		STATION TO STATION	PERSON TO PERSON	STATION TO STATION
			INITIAL MINUTE	ADDITIONAL MINUTE	SURCHARGE	DIFFERENTIAL	INITIAL 3 MINUTES
OVER		NOT OVER			SEE B-1	SEE B-2	SEE C
0	-	12	.18	.13	$ .45	$ .65	$ .45
12	-	16	.21	.16	.45	.70	.50
16	-	20	.25	.20	.45	.85	.65
20	-	25	.28	.23	.45	1.05	.75
25	-	30	.31	.26	.45	1.20	.85
30	-	36	.34	.29	.45	1.30	.90
36	-	42	.37	.32	.45	1.45	1.00
42	-	48	.40	.35	.45	1.60	1.10
48	-	56	.43	.38	.45	1.75	1.20
56	-		.46	.41	.45	1.85	1.30

"A" CUSTOMER DIALED RATE

Applies to all calls not requiring operator assistance (D.D.D. or Equivalent) and includes Coin Telephone Calls (see "C").

TIME OF DAY DISCOUNT - Applies to the Customer Dialed rate portion on all classes of calls. Discounts on Coin Telephone calls shall be calculated to the nearest 5 cents.

(1) Day except Sunday and Statutory Holidays
8:00 a.m. to 6:00 p.m. - regular rates
6:00 p.m. to 10:00 p.m. - 30% discount
10:00 p.m. to 8:00 a.m. - 50% discount

(2) Sundays and Statutory Holidays
8:00 a.m. to 10:00 p.m. - 30% discount
10:00 p.m. to 8:00 a.m. - 50% discount

"B" OPERATOR HANDLED RATE

B-1 STATION TO STATION - calls requiring operator assistance for such calls as collect, credit card, third number, time and charge, Hotel/Motel, Zenith and Mobile Telephone calls shall take a 45 cent surcharge in addition to the Customer Dialed Rate. The Time of Day discount does not apply to the surcharge.

B-2 PERSON TO PERSON - calls shall take the appropriate differential in addition to the Customer Dialed Rate. No additional surcharge applies. The Time of Day discount does not apply to the differential.

"C" COIN TELEPHONE CALLS

Prepaid Coin Telephone calls shall take the 3 minute initial rate for Station-to-Station calls while the appropriate Person differential shall apply for Person-to-Person calls.

Calls that are not prepaid shall take the Operator Handled rate as defined in Section "B".

Additional periods shall be at the Customer Dialed Additional Minute Rate, calculated to the nearest 5 cents, on all classes of calls.

Item **INTER-EXCHANGE CONFERENCE SERVICE**

1100. **GENERAL**

(a) Inter-Exchange Conference Service is the connection of three or more main telephones (or System Service Terminals or combinations thereof), in two or more Local Service Areas. Such telephones are so interconnected that each may communicate with all the others at the same time.

(b) The service is provided where and to the extent that existing facilities permit.

1110. **RATES.**

(a) The rate is for an inital three minute period and then additional minutes and consists of the sum of:

(1) The Person-to-Person rate according to the time of day between the originating station and each called station.

(2) The Local Conference Service rate applicable to each called station within the Local Service Area of the originating station.

(3) A Conference Service Charge of $1.85 for the first three minutes and $ .18 for each additional minute for each station connected on the call.

THE ISLAND TEL. CO. LTD.
GENERAL TARIFF

Section T-3
Sheet 1

Item

ZENITH SERVICE

1200. GENERAL

Zenith Service is a special reverse charge toll service whereby a subscriber allows persons in Exchange Areas outside of his own Exchange Area or Local Service Area to call him and accepts responsibility for the payment of the toll charge without specific request by the caller.

1210. DESCRIPTION OF SERVICE

(a) The service is available to one party and System Service subscribers.

(b) Exchanges designated for the service are selected by the subscriber subject to the approval of the Company.

(c) A special call number is assigned to the subscriber for this service. Only toll calls originating in the designated exchanges for this number are considered within the scope of the service.

1220. RATES

Regular Station-to-Station Operator Handled Long Distance Message rates as set forth in Item 1040 apply on all completed calls. In addition, the following monthly rates apply for each exchange in which service is provided and includes one directory listing in each such exchange. Listings may be omitted from the alphabetical directory or Directory Assistance records without charge.

Monthly Rates

Each exchange	$ 2.15
All exchanges	22.50
Extra listings — each exchange	.90

B. TELEPHONE INSTALLATIONS IN THE PROVINCE

There were 67,722 telephone installations in the Province as of 31 March 1981, all receiving service from the Island Telephone Company Limited.

III

MATTERS PERTAINING TO THE ADMINISTRATION OF MOTOR CARRIERS

A. BUS SERVICE

Island Transit Co-operative Limited continued to provide passenger service on its various runs, with certain alterations in its schedules of routes and fares being approved by the Commission. On 3 March 1981, the Prince Edward Island Department of Highways and Public Works assumed financial and operational control of the Island Transit Co-operative Ltd. and continued to operate this bus service under the name of Island Transit.

Island Motor Transport Limited continued to offer its charter services, and Abegweit Tours & Travel Agency Inc. its tour operations. Charles J. Arsenault continued to provide services to handicapped persons and jail inmates as the New Life Bus Service. Envi, Limited advised the Commission of a change of name to Charlottetown Urban Transit Limited, and became operational in November of 1980, after suitable routes and rates were approved. Service to the Village of Cornwall area was instituted in March of 1981. During this period, Sterling A. Stead commenced a bus service to patrons of the Summerside Raceway, but this service was discontinued due to lack of support, and the license revoked.

B. MOTOR TRUCK REGULATION

During the period covered by this report, eighty-three applications for initial intra and/or extra Provincial Motor Carrier Licenses, extensions to existing rights, or transfers of licenses were dealt with by this Commission. Of the applications for initial licensing 35 were approved, one was declined and five were held pending further study. Three applications were withdrawn. Five initial applications which were carried over from the previous report received final approval. Twenty-eight extensions and four transfers were approved, and four transfers are pending and one extension was declined, one withdrawn and one decision is pending. As a result of an appeal, D'Anjou Transport Inc. was issued an extension to operating rights on 10 February 1981. During this same period, 12 licenses were revoked and one was cancelled. In total, there are approximately 520 firms currently licensed by this jurisdiction.

A list of Motor Carriers initially licensed during the year ended 31 March 1981 under the Motor Carrier Act and/or The Motor Vehicle Transport Act (Canada) is appended to this report.

On 29 October 1980, the Commission decided to exempt under Section 11(2) of the Motor Carrier Act the transportation of salt to be used on streets and highways.

Further to our last report, an Abandonment of Appeal with regard to the Decision of the Commission on the application of Clifford Joseph MacDonald of Souris was filed with the Prothonotary's Office on 27 October 1980 by Counsel for Willard H. MacQuarrie of Summerside.

IV

MATTERS PERTAINING TO THE ADMINISTRATION OF THE PETROLEUM PRODUCTS ACT

During the year covered by this report, eight Wholesale Petroleum Products Dealer's Licenses were issued to the several corporations listed in the Schedule annexed hereto. During the same period, there were 292 retailer's licenses renewed and 7 initial licenses issued, 6 covering marine outlets and one covering a service station outlet. As well, there were 54 Retail-Distributors and 132 Tank Trucks licensed during this period, which figures include the licenses issued with regard to the distribution of propane.

Gasoline and Diesel Sales

The reports of the eight Wholesale Petroleum Products Dealer's indicate that during the calendar year of 1980, sales of gasoline in Prince Edward Island totalled 43,312,195 gallons (196,901,136 litres), while 45,048,846 gallons (204,796,108 litres) of gasoline had been sold in the preceding year, thus representing a decrease of 3.86%. In addition, 12,817,105 gallons (58,267,712 litres) of diesel fuel were dispensed, compared to 13,724,306 gallons (62,391,930 litres) dispensed during the previous year, representing a decrease of 6.61%

V
BUILDING MOVING PERMITS

During this fiscal year, there were 20 building moving permits issued relative to the cutting or raising of electric and/or telephone wires to allow passage of buildings from one location to another.

VI
MATTERS PERTAINING TO THE ADMINISTRATION OF THE WATER AND SEWERAGE ACT

A. CHARLOTTETOWN

Rate Revision

In May, 1980, the Commissioners of Sewers and Water Supply for the City of Charlottetown filed an application for an increase in its rates charged for water supply and sewerage services. The public hearing for the application took place on the 6th, 7th, 8th and 9th day of May 1980 and the 3rd and 4th day of June, 1980. The "Reasons for Decision" in this matter were brought down by the Commission on 26 November 1980, and are as follows:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of The Public Utilities Commission Act, R.S. P.E.I. 1974, Cap. P-31 and/or The Water and Sewerage Act, R.S. P.E.I. 1974, Cap. W-2

— and —

IN THE MATTER of an Application by the Water and Sewerage Utility operated by the Commissioners of Sewers and Water Supply for the City of Charlottetown for an upward revision of the Schedules of Rates charged its customers for water supply and sewerage services.

REASONS FOR DECISION

THIS MATTER is before the Public Utilities Commission by way of an application of the Commissioners of Sewers and Water Supply for the City of Charlottetown dated May, 1980 for an increase in its rates charged for water supply and sewerage services. The Commissioners of Sewers and Water Supply (hereinafter referred to as COSAWS) were preparing in June, 1979 to make an application for a 16% rate increase in its water and sewerage rates, but after considering the matter and discussing it with this Commission, COSAWS made an application on 26 June 1979 for an 8% increase in certain Schedules of its rates for water supply and sewerage services. The Commission was of the opinion that it was not necessary to convene a public hearing to consider the interim application, but on request did allow the Village of Sherwood and its Counsel to participate in the hearing. The Commission subsequently approved an 8% increase in certain schedules of COSAWS water and sewerage rates subject to the condition that COSAWS make a more comprehensive application to the Commission for a rate increase during the first half of 1980, at which time a public hearing covering in detail the full requirements of the Utility would be held. This present hearing is the result of the more comprehensive application. The application is made pursuant to Section 15 of the Water and Sewerage Act, which states as follows:

> "15. (1) When any public utility wishes to vary any existing rates, or charges, or to establish any new rates or charges, it shall submit for the approval of the Commission a schedule of the proposed rates and charges together with and appended thereto all rules and regulations which, in any manner, relate to the rates and charges.
>
> (2) The Commission may approve the schedule of rates, and charges and such rules and regulations either in whole or in part, or may amend or vary the same as it sees fit.
>
> (3) On the approval the rates and charges are the lawful rates and charges of the public utility until altered or modified under this Act, 1960, c. 47, s. 15."

In addition, SS. 1, 2 and 9 of the Water and Sewerage Act states as follows:

> " 1. In this Act
>
> (a) "Commission" means the Public Utilities Commission appointed under the Public Utilities Commission Act, R.S. P.E.I. 1974, Cap. P-31;
>
> (b) "person" includes an association, a body corporate, a partnership, and any city, town or village incorporated by or under any statute of this province;
>
> (c) "public utility" means any person engaged in constructing, altering, extending, managing or controlling any system for providing the service of water or sewerage or water and sewerage for the public in any area within Prince Edward Island, 1960, c. 47, s. 1.
>
> 2. Notwithstanding any statute of this province, the commission has and shall exercise general supervision and control over all public utilities as defined in this Act; and the provisions of the Public Utilities Commission Act, R.S. P.E.I. 1974, Cap. P-31 extend and apply to the commission in the exercise of the duties imposed by this Act, 1960, c. 47, s. 2.
>
> 9. Notwithstanding any statute of this province, or any agreement or usage to the contrary all rates and charges for the supplying of water or sewage disposal shall be fixed and determined by or approved by the commission, 1963, c. 37, s. 2."

The public hearing for the application herein took place on the 6th, 7th, 8th and 9th day of May, 1980 and the 3rd and 4th day of June, 1980 at Charlottetown, Prince Edward Island, after due notice had been given in the Guardian-Patriot on the 10th and 25th day of April, 1980.

Mr. George A. Latimer, Partner in the firm of Peat, Marwick, Mitchell and Company attended the hearing as Advisor to the Commission and Mr. John A. O'Keefe of the firm of Foster, O'Keefe and Matheson was present as Commission Counsel.

The parties at the hearings, their counsel and their witnesses were as follows:

For COSAWS:
Counsel: Joseph A. Ghiz
Witnesses: Richard T. Henthorn
Thomas E. Richardson
R. Michael Loudon
John M. Mulligan
Douglas G. MacLeod

For the Village of Sherwood:
Counsel: John A. Carr
Witnesses: R. Peter Weedon
Joseph R. Paquet
Leon F. Loucks

For the Villages of Hillsborough Park and East Royalty:
Counsel: James W. Macnutt
Witnesses: A. Ian MacRae
Ethan W. Garrett
R. Peter Weedon

At the beginning and during the hearing, certain points were raised by Counsel present, and the Commission dealt with these points before proceeding to hear the application.

Mr. Macnutt, Counsel on behalf of the Village of Hillsborough Park and the Village of East Royalty stated that the Public Utilities Commission was for a number of reasons biased in favour of the Commissioners of Sewers and Water Supply. However, Mr. Macnutt withdrew this allegation by letter presented to the Commission on the 7th day of May, 1980.

Mr. Macnutt, in his brief to the Commission, stated on Pages 4 and 5 that because the Commissioners of Sewers and Water Supply (COSAWS) made an application for a rate increase to the Commission in July, 1979, and that because a temporary rate increase was granted without a public hearing, the present application for an increase in rates is invalid. Section 15 (2) of the Water and Sewerage Act states that:

> "The Commission may approve the schedule of rates and charges and such rules or regulations either in whole or part or may amend or vary same as it sees fit."

Section 17 of the same Act states:

> "The commission may order a public hearing in respect of any schedule of rates and charges submitted for approval under this Act."

The Commission is of the opinion that no public hearing was necessary as less than one half of what was required was applied for and approved on a conditional basis only, but in any event, the whole application was fully presented at the public hearing held on the 6th, 7th, 8th and 9th day of May, 1980, and the 3rd and 4th day of June, 1980, at which time all parties had ample opportunity to present their cases. The Commission also believes that if any objection was to be taken to the rates approved on 25 July 1979, it should have been taken by way of certiorari or prohibition to the Supreme Court of Prince Edward Island at that time, or prior to the hearing of this application, and consequently the Commission has decided that it has jurisdiction to hear the application.

Mr. Macnutt further argued that because this is a "complete review of the basis on which the sewer rates are established", that consequently only sewer rates and not water rates should be considered at the hearing. However, a perusal of the public notice published in the local newspaper and of the application for the rate increase filed by COSAWS make it abundantly clear that the application is for a variation of both water and sewerage rates. In fact, at P. 1-1 of the application, the following sentence is found:

> "The application contained herein provides a complete review of the basis on which the sewer rates are established and updates the rates in accordance with current water industry principles and practices."

No request was made for an adjournment by Mr. Macnutt and the material was available to him prior to the hearing and thus the case which had to be met was known to them.

The intervenors have argued that COSAWS did not obtain the consent of the City of Charlottetown to extend water service beyond the boundaries of Charlottetown, as is stated by S. 30 of the Charlottetown Water Works Act (50 Victoria Cap. 8) and consequently the Public Utilities Commission has no authority to hear the matter. The Commission, however, is of the opinion that S. 2 of the Water and Sewerage Act (as quoted on page 3 herein) gives the Commission authority to allow the extension of water services to areas outside the City of Charlottetown, and consequently the authority to hear this application. We therefore conclude that such consent of the City was not necessary, otherwise the proper functioning of the Commission in such matters as intended by the legislation, would be continually conditioned upon the obtaining of such prior consent. The other option open to the Commission would be to rule that COSAWS cannot supply water outside the City of Charlottetown and then order that all water supply to these outside areas be shut off. The Commission is not prepared to take this approach because of the consequences that would follow from such a decision. The Commission would also refer to Sections 3 and 4 of the Water and Sewerage Act (Supra) which state:

> "3. Before commencing the construction, alteration or extension of any water or sewerage system, every public utility shall obtain from the commission a permit in writing authorizing the same, and shall submit to the commission at least two copies of all plans, specifications, engineer's reports and estimates of costs, together with such other information and data as the commission may require, 1960, c. 47, s. 3.
>
> "4. The commission may approve any application in whole or in part only, and may order that any plans or specifications be varied to meet such requirements as it may prescribe, 1960, c. 47, s. 4."

After considering each of the objections raised, the Commission is of the opinion that it has authority to hear this application.

It appears to the Commission, from our analysis of the application and the evidence and representations in support thereof, that COSAWS is requesting a complete review of its finances from all aspects, in order that a fundamental and comprehensive up-dating of its rate structure and schedules be established; this, it contends, is essential to permit a financial return necessary to meet its needs.

At the commencement of the hearing, it was agreed by all parties that the evidence contained in Exhibit No. 2 (the Application by COSAWS), would be part of the record, and that the same would apply for other materials presented by all parties subject to any changes as a result of cross-examination. Much evidence was presented by all parties to the Commission during the lengthy hearing, and the Commission is grateful for the detailed briefs given by all Counsel and also for the evidence presented by all witnesses, especially Mr. Peter Weedon and Mr. Michael Loudon.

The Commission regulates COSAWS on the Utility basis under the Public Utilities Commission Act and the Water and Sewerage Act, and its decisions endeavour to permit COSAWS to achieve sufficient revenues to cover the cost of service, depreciation and a return on rate base. Because COSAWS is a municipally-owned utility, a principal concern of its administrators must be that it receives an amount of revenue each year sufficient to cover its cost of service and its debt servicing expense.

To ensure that this objective is kept clearly in mind COSAWS management prepares its own financial statements in a manner which shows the extent to which cash generated during the period has been sufficient to cover the cash requirements In this respect, the COSAWS financial statements are not in accordance with the financial statements which it must prepare for submission to the Commission. Pages 6 - 2 and 6 - 3 of Exhibit No. 12 provide the details of the differences between accounts prepared on a cash basis for COSAWS management, and on a utility basis as required by the Commission. The Commission believes that it is a useful test of the adequacy of the revenue requirement determined on the utility basis to ensure that its application results in sufficient revenue to meet COSAWS cash requirement.

The very detailed and comprehensive material submitted by COSAWS in support of its application has been useful to the Commission since it is central to the issues to be dealt with in this decision in that COSAWS has proposed a different method of striking rates. For simplicity, the Commission will handle each topic separately and in a progressive order rather than pursue the order in which the various witnesses gave their evidence. The preliminary matters hereinbefore set forth shall be considered as being No. 1 The other matters will be dealt with in the following order.

2. Ownership of Assets
    - A. Ownership of COSAWS' Assets
    - B. Hillsborough Development Assets
3. Guidelines to Setting and Calculating Rates
    - A. Statutory Authority
    - B. General Principles of Rate Making
    - C. Finding Necessary to Calculate Rates
4. System Water Loss

5. Depreciation
    A. Depreciation Rate
    B. Depreciation on Contributed Assets
6. Allocation of Meter Reading Costs of Flat Rate Customers
7. Charges to Outside Customers
    A. General Observations
    B. Surcharge to Outside Municipalities and/or Utilities
    C. Surcharge to Individual Outside Customers
    D. Summary
8. Bulk Water Rates
9. Municipal Fire Protection Rates
    A. Allocation of Sewer Administration Costs to Fire Protection Costs
    B. Minimum Fire Protection Rate
    C. Hydrant Count
10. Phasing in of Rates
11. The Supply of Water to the Airport
12. Matters to be Dealt With by COSAWS

2. Ownership of Assets

A. Ownership of COSAWS' Assets:

The intervenors allege that because of S. 30 of the Charlottetown Sewerage Act, 61 Victoria, Cap. 12, the ownership of the assets of COSAWS are vested in the City of Charlottetown and not COSAWS. The Commission is of the opinion that it does not matter, for the purpose of setting the applicable rates, whether the assets are owned by COSAWS, a corporation that came into being at the request of the citizens of the City of Charlottetown to manage their water works, or by the City of Charlottetown itself.

The Commission finds that regardless of who owns the assets, revenue to operate, manage and extend the utility must be raised.

In addition, the Commission is of the opinion that the question of the ownership of the assets is a question that should be determined by the Supreme Court and not by the Public Utilities Commission.

B. Hillsborough Development Assets:

The evidence given before the Commission clearly establishes that the water and sewerage system assets located in the area known as the Hillsborough Development were conveyed to COSAWS by the Prince Edward Island Housing Corporation, or its predecessor, the Prince Edward Island Housing Authority, at no cost to COSAWS. As a result of this fact, the Commission is of the opinion, and so finds that there should not be a surcharge for customers in the area served by the system assets of the Hillsborough Development for water and sewerage rates.

These assets now form part of the holdings operated by COSAWS. For this reason all rate structures for the Hillsborough Development will be the same as the rate structures used by COSAWS from its Charlottetown customers.

3. Guidelines to Setting and Calculating Rates

A. Statutory Authority:

Sections 2, 9, 10, 11 and 15 of the Water and Sewerage Act are those sections which set forth the authority under which rate setting is carried out. Of these, Sections 2, 9 and 15 have already been quoted herein. Sections 10 and 11 are as follows:

"10. (1) The rates and charges shall be fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances.

(2) Where deemed necessary by the commission such rates and charges may be classified and prescribed as follows:

(a) an initial charge for constructing and establishing connection from the main water or sewerage line of a public utility to any building or structure on the land and premises of any person for the purpose of supplying water or sewage disposal;

(b) monthly, quarterly or other periodical rates or charges for supplying water to a premises based on the method of measurement prescribed by the commission in accordance with section 8 of this Act;

(c) monthly, quarterly or other periodical rates and charges for sewage disposal where the commission deems the same to be necessary and equitable;

(d) such other rates and charges for construction or for service provided as the commission may approve, 1963, c. 37, s. 3.

11. (1) Every public utility shall carry a proper and adequate depreciation account when the commission, after investigation, shall determine that the depreciation account can be reasonably required.

(2) The commission shall ascertain and determine what are proper and adequate rates of depreciation for the several classes of property or material of each public utility, 1960, c. 47, s. 11."

Sections 9 and 10(1) of the Public Utilities Commission Act, R.S.P.E.I., 1974, Cap. P-31, states:

"9. The Commission has general supervision of all public utilities and shall make all necessary examinations and inquiries and keep itself informed as to the compliance by public utilities with this Act and may obtain from any public utility all information necessary to enable the Commission to fulfill its duties, R.S.P.E.I., 1951, c. 133, s. 9.

"10. (1) For the purposes of performing the duties and exercising the powers conferred by this Act, or any other statue or regulation, every commissioner may administer oaths, certify to official acts, and by subpoena, compel the attendance of witnesses and the production of books, accounts, papers, records, documents and testimony."

It is readily apparent from the above legislation that the Commission has the legislative authority to determine water and sewerage rates.

B. General Principles of Rate Making:

The Commission follows the generally accepted principle in the water works industry that rate making is an art as well as a science. There are certain guidelines as established by the industry but local conditions and circumstances must also be taken into consideration. Sections 9, 10 and 11 of the Water and Sewerage Act set forth clearly the principles which are to apply.

C. Findings Necessary to Calculate Rates:

(a) Revenue Requirements:

In this application, there is agreement that the revenue requirements of COSAWS are reasonable. Peter Weedon, on behalf of Sherwood, Hillsborough Village and East Royalty at Page 8 of his "Report on COSAWS Application for Rate Increase May, 1980" (Exhibit No. 14) stated:

> "We reviewed the development of the revenue requirements for the 1981 test year. It is our opinion that the revenue requirements are reasonable."

Mr. James MacNutt on behalf of his clients, stated at Page 1 of his Brief:

> "Accepting the figures presented by COSAWS as its cash requirements .... The money to be raised remains as requested by COSAWS but the allocation costs, and the allocation of the burden of payment, would be changed."

(b) Base-Extra Capacity Method:

All parties agree that the "base-extra capacity" method is a suitable approach to rate making. Peter Weedon at Page 9 of Exhibit No. 17 stated:

> "We find the base-extra capacity method a suitable approach to rate making."

Mr. MacNutt, on bhealf of his clients, stated in his Brief at Page 1:

> "The intervenors accept the use of the base-extra capacity method as the most suitable approach to rate making for COSAWS."

The Commission is prepared to accept certain of the methods and proposals put forth by Mr. Loudon on behalf of COSAWS. They will, however, be modified in accordance with the findings set forth in this decision. It should also be pointed out that as each of the utilities serving the area is a separate and distinct operating utility within the terms and conditions of the Water and Sewerage Act, the rates and charges concerning each separate utility must be considered on an individual basis.

4. System Water Loss

System water loss is one of those factors with which every water utility has to contend. There is no such thing as a system with no acutal loss. It therefore becomes a matter of how best to cope with such losses and the manner and degree in which to best prevent them and cure them when they occur. This taken to its ultimate could produce a system with practically no water loss. On a system of any size, the cost would be prohibitive. It therefore becomes necessary to make a judgment decision as to what loss is acceptable. Having taken the evidence given by representatives of COSAWS into consideration in this regard, the Commission is satisfied that the system water loss as set forth in their evidence is well within acceptable limits. The Commission cannot accept the Sherwood contention that it should either (a) pay no charge for water loss, or (b) pay such charge only proportionately to that section of the sytem which is used to serve it. The reason why the Commission cannot accept this is due to the fact that all rates of the COSAWS' system are set in accordance with all costs associated with the whole system, with the result that each customer on the COSAWS system in every area served by the system must bear his or her fair portion of loss. For a customer outside the area which COSAWS was set up to serve to receive a rate more beneficial than those within that area would contravene generally accepted public utility practices and be contrary to S. 10(1) of the Water and Sewerage Act. For these reasons, no reduction in rate structure will be allowed for any customer due to water loss. It is noted that the previously existing leakage problem between the high pressure zone and the low pressure zone has been rectified by the installation of 3/4" bypass and a 5/8" meter and shut-off.

5. Depreciation

A. Depreciation Rate:

By Order of the Commission date 14 April 1966, the Commission approved composite depreciation rates of 1.11 per cent per annum on water plant and .814 per cent per annum on sewerage plant. A review of the annual reports submitted to the Commission by COSAWS indicates that COSAWS has continued the use of the said depreciation rates to 31 December 1979. The Commission is of the opinion that COSAWS should have been recalculating its composite rates of depreciation each year and submitting them to the Commission for approval. However, a review of the individual rates comprising the composite rates approved in 1966 and applying them to the mix of assets in use at 31 December 1979 results in composite depreciation rates of 1.51% for water plant and 1.24% for sewer plant. The calculation used to establish these rates are shown on pages F-6 and F-7 of Exhibit No. 12. There was no evidence presented at the hearing which would indicate that these calculations are not correct. The Commission therefore finds that these rates of depreciation are reasonable and adequate.

B. Depreciation on Contributed Assets:

With reference to the matter of depreciation on contributed assets, it has been the long standing practice of most utilities, as confirmed by their regulatory authority, to calculate depreciation at approved rates on contributed assets. The cash flow generated by this portion of the revenue requirement should be used by COSAWS to fund the replacement and acquisition of capital items and not for general operating purposes. It is recognized that in the current financial climate it is most unlikely that the funds accumulated will be sufficient to replace the contributed assets. The Commission believes, however, that these funds will contribute to such replacement and make further financing easier. It is therefore the Commission's finding that depreciation will continue to be taken on contributed assets.

6. Allocation of Meter Reading Costs to Flat Rate Customers

The allocation of the meter budget to flat rate customers and the inclusion of meter reading costs in the billing function with subsequent allocation to flat rate customers are considered to be appropriate by this Commission. The Commission accepts the COSAWS belief that meter reading costs would not be proportionately increased if all customers were metered, and further that information gathered from the metered customers assists in estimating consumption by flat rate customers; this information being essential to the proper operation of the system. This point was made that this information could be gathered from other municipalities. The Commission believes however that information gathered on the system concerned must be more accurate and therefore more useful in making calculations than that obtained from other utilities.

7. Charges to Outside Customers

A. General Observations:

During the presentation of the case for the intervenors, the Village of Sherwood contended that customers served by COSAWS within the Village of Sherwood should be handled on an en bloc basis as though they were customers of the Sherwood Utility and as part of the main interconnection facility provided by COSAWS to the ever-growing water utility in Sherwood. Considerable evidence was given in the presentation concerning this matter, all of which has been studied by the Commission. In taking this matter under consideration, the Commission must bear in mind that there are two separate utilities involved in this regard, each with its own earnings base, administration, maintenance and financing and in this regard the Commission must pay particular attention to the provisions of Section 10(1) of the Water and Sewerage Act which states as follows:

> "10. (1) "The rates and charges shall be fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances."

To the best of the Commission's knowledge, there are no extenuating conditions or circumstances which should cause us to depart from the generally accepted public utility practices. Proceeding with the matter on this basis and dealing in particular with Section 1 of the Water and Sewerage Act, being the definition section, the Commission must consider each of the separate "public utilities" involved in this matter as a separate legal entity. Each of these separate public utilities is set up with its plant system and structure as well as its own administrative staff, but probably the most significant is the fact that each is its own separate financial entity with the resulting capitalization, financing, assets and liabilities. For this reason, each separate public utility must (as set forth in Sections 10(2) and 11(1) & (2) of the Water & Sewerage Act) have its own prescribed rates to give sufficient return to cover all costs. This brings us to the point where each utility must then be provided with rates which best and most adequately distribute a total cost of operation across all classes of customers in the most reasonable and beneficial manner possible.

There is nothing that affects these costs more than the time at which the plant and facilities of the utility concerned were built (another factor in today's construction is the extent and degree to which various government grants are made available to such utilities). COSAWS had its origin well before the turn of the century and therefore has substantially lower embedded costs by reason of much earlier established physical assets for services provided. When these services are extended to an adjoining utility as herein, the interconnection is extremely beneficial to the recipients thereof due to the fact that this interconnection can provide services at a lesser cost than if those services were provided by the municipality's own newer utility.

B. Surcharge to Outside Municipalities and/or Utilities:

It is the opinion of the Commission that no contiguous utility and/or municipality should have all the financial benefits which accrue to the utility provided these services. In one case the utility is providing wells, pumps, reservoirs and main lines connecting all facilities together. In the case of the purchasing utility and/or municipality, it is providing either nothing, or a portion only of a distribution system. It is therefore the opinion of the Commission that a surchage should apply to all services sold by a supplying utility and/or municipality to another.

C. Surcharge to Individual Outside Customers:

During the hearing Sherwood stressed the fact that individual customers served directly by COSAWS should be treated as part of the Sherwood water system. The Commission has given considerable attention to this matter but fails to follow the reasoning because not only do all the factors as set forth in 7(B) above apply but in addition, these customers being served directly by COSAWS are even more dependent upon that utility due to the fact that all service, maintenance and billing must be carried out by COSAWS. Therefore, in the case of individual customers being served outside the Charlottetown-Hillsborough Development service area, there will be a surcharge for all such services.

D. Summary:

In the evidence given by representatives of COSAWS, it was pointed out that in the various classes of service, charges up to 31% higher than those in Charlottetown could reasonably be defended. It is the finding of the Commission that an additional charge of 10% will be made to outside customers for all classes of service (with the exception of hereinbefore stated of those located in the Hillsborough Development).

8. Bulk Water Rates

Dealing in the matter of bulk water rates, there are few, if any, customers in Prince Edward Island included within what is generally understood by that classification. There are indeed several COSAWS customers who do use considerable quantities of water. In fact, there would appear to be some twenty-five (25) COSAWS customers who consume more water from COSAWS than that sold by it to Sherwood. If that particular classification of rate were to exist, then to be consistent, all who purchased the same or more than that purchased by Sherwood would, by such decision, reasonably be entitled to a similar bulk water rate. To grant such a reduction in water rates would drastically affect COSAWS' income, which of absolute necessity would have to result in an increase of rates to other classes of customers. The Commission does not think that to raise rates to COSAWS customers for the sole purpose of giving preferential rates to customers outside COSAWS service area is reasonable or warranted and, for that reason, bulk water rates for Sherwood or any other customer at this time will be declined.

9. Municipal Fire Protection Rates

A. Allocation of Sewer Administration Costs to Fire Protection Costs:

The Commission agrees with the intervenors that there is no evident reason why sewer administration costs should be allocated to fire protection, and orders that revised fire protection rates be struck without their allocation.

B. Minimum Fire Protection Rate:

The Commission has considered the evidence presented by the parties concerning a minimum fire protection amount of $240,000 and in particular the following excerpt from the COSAWS application at Page 8 - 13:

> "The fire protection charge as calculated above is less then would exist using the previous assessment formula. In order to phase in the new charge, and to avoid a dip in expected fire protection levies, it is proposed that a minimum charge of $240,000 be added to the fire protection formula. The charge calculated by formula would probably surpass this amount by 1982. The new formula using 1982 budget figures shows a calculated charge of $253,897."

Considering this evidence, the Commission is of the opinion that the minimum charge should not be less than $240,000.

C. Hydrant Count:

During the hearing, concern was expressed with using the December 1979 hydrant census to calculate the per hydrant fire protection rate. To avoid any errors, the Commission requires that the hydrant census be revised annually and that the per hydrant fire protection rate for each year be calculated using the actual number of hydrants in use at the beginning of the year, and that such rates be submitted annually to the Commission for approval.

10. Phasing in of Rates

As set forth in 2(B) hereinbefore, the physical assets serving the Hillsborough Development have been turned over to COSAWS and as a result, all rate structures for the Hillsborough Development will in the ultimate be identical for those customers served by COSAWS in Charlottetown. With respect to the fire protection charge for the Hillsborough Development, this would represent a substantial difference between the fire protection rates presently charged in the Hillsborough Development as opposed to the cost of providing similar service in the City of Charlottetown. The Commission is therefore of the opinion that the impact of such an increase (if applied to such rates all at once) would be unfair to the Development. It is therefore the decision of the Commission that the fire protection rates be phased in. The Commission finds that the per hydrant fire protection rate for Hillsborough Development (as calculated annually based on Charlottetown hydrant costs) shall be phased in on a progressive basis as follows:

1981 — 25% of the per annum Charlottetown rate
1982 — 50% of the per annum Charlottetown rate
1983 — 75% of the per annum Charlottetown rate
1984 and on - 100% of the per annum Charlottetown rate

The hydrants in the Hillsborough Development will form part of the count in determining the fire protection rate as set forth in 9(C) of this decision.

The phasing in of larger rate increases for certain customers most severely affected by the application was requested by the Applicant. However, it is the opinion of the Commission that the upward revision of these other classifications of rates is not sufficiently large as to warrant phasing in. For this reason, no additional process of phasing in has been set forth.

11. The Supply of Water to the Airport

Various matters concerning the supply of water to the Charlottetown Municipal Airport was referred to by both the Applicant and Intervenors, and although the evidence concerning this particular aspect of the hearing was far from comprehensive, the principles involved are sufficiently clear for the Commission to reach certain conclusions. It is best to involve a minimum number of utilities when dealing with matters such as the supply of water to a customer such as an airport. It is therefore the opinion of the Commission that the service should continue to be provided by COSAWS (the supplier) to the Department of Transport (the customer). To add any additional complications of administration and utility systems could represent grave difficulty in the case of failure or interruption of service, particularly during a fire or other such emergency.

The Commission is therefore of the opinion that the minimum monthly water volume proposed to be billed for the airport by COSAWS at the present time (as set out in Exhibit No. 12) is acceptable, and is to be charged by COSAWS to the Department of Transport in accordance with the new rates to be established for outside customers.

The rates applicable to the airport are to receive the final approval of the Commission upon completion of the new airport facilities.

12. Matters to be dealt with by COSAWS

As a result of this decision, many of the bases on which COSAWS' rates have been calculated for purposes of the application have been changed. It therefore becomes necessary to have these rates recalculated. COSAWS will now be required to provide the following information: sion.

1. Justify its revenue requirement.
2. Justify what rates of depreciation should be fixed for the year 1981.
3. The following rate schedules (and such others as may be deemed necessary) are to be revised in accordance with the above:

    (a) Charlottetown Metered Water Rates, together with associated sewer rates.
    (b) Charlottetown Flat Rates, together with associated sewer rates.
    (c) Metered Water Rates Outside Charlottetown together with associated sewer rates.
    (d) Unmetered Water Rates Outside Charlottetown, together with associated sewer rates.
    (e) Municipal Services Rates Inside Charlottetown.
    (f) Municipal Services Rates Outside Charlottetown, including special hydrant rates for those hydrants serviced by the Sherwood water system.
    (g) Sanitary Sewerage Surcharge.

It is required that this submission relative to these and any other revisions necessary be completed at the earliest possible date and be submitted to this Commission.

DATED at CHARLOTTETOWN this 26th day of NOVEMBER, A.D., 1980.

W. R. Brennan
CHAIRMAN

G. J. Ferguson
SECRETARY

T. E. Hickey
COMMISSIONER

Following receipt of the information requested of the Applicant in the above "Reasons for Decision", an "Order of Revision" dated December 1980 was issued by the Commission, which follows:

CANADA
PROVINCE OF PRINCE EDWARD ISLAND
BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of The Public Utilities Commisstion Act, R.S.P.E.I. 1974, Cap. P-31 and/or The Water and Sewerage Act, R.S.P.E.I. 1974, Cap. W-2.

— and —

IN THE MATTER of an Application by the Water and Sewerage Utility operated by the Commission of Sewers and Water Supply for the City of Charlottetown for an upward revision of the Schedules of Rates charged its customers for water supply and sewerage services.

ORDER OF REVISION

WHEREAS the Commissioners of Sewers and Water Supply of the City of Charlottetown, a public utility within the meaning of the Water and Sewerage Act, R.S.P.E.I. 1974, Chapter W-2 and amendments thereto, has made application to the Public Utilities Commission of the Province of Prince Edward Island, pursuant to the aforesaid Act and the Public Utilities Commission Act R.S.P.E.I. 1974, Chapter P-31, and amendments thereto, for an increase in its rates charged for water supply and sewerage services;

AND WHEREAS the Public Utilities Commission held a public hearing during the months of May and June, 1980, upon such application, and on the 26th day of November, 1980 made written Reasons for Decision of the matters presented in said application and other matters presented at said hearing, and requested from the said Applicant certain information as specified in said Reasons for Decision, AND WHEREAS the Application has now provided the Commission with such information:

IT IS THEREFORE ORDERED HEREIN as follows:

(1) That all rate structures for the area known as the Hillsborough Development shall be the same as those in the City of Charlottetown, with the exception of the fire protection rates as dealt with in Section 8 below.

(2) That no reduction in rate structure shall be allowed to any customer served by the system of the Applicant by reason of water loss in any portion of the system or interconnected systems.

(3) That the following composite depreciation rates are approved for the stated fixed assets of the Application, including contributed assets:

Sewer System — 1.25%
Water System — 1.59%

(4) That the Applicant shall assess a surcharge of ten per cent (10%) to all customers outside its system area, which system area includes the Hillsborough Development

(5) That the principle of the classification of bulk water rates for any customer is not accepted.

(6) That fire protection rates be revised unrelated to sewer administration costs, and that there be a minimum charge of $240,000.

(7) That the number of fire hydrants be calculated annually and that the per hydrant fire protection rate for each year be calculated on the basis of the actual number of hydrants in use at the first of the year of calculation, and be submitted forthwith to the Commission annually for its approval thereof.

(8) That the per hydrant fire protection rate for the Hillsborough Development be based on the per unit cost of fire hydrants in the City of Charlottetown, and shall be applied on the following progressive basis:

1981 — 25% of the per annum Charlottetown rate
1982 — 50% of the per annum Charlottetown rate
1983 — 75% of the per annum Charlottetown rate
1984 and subsequent years — 100% of the per annum Charlottetown rate.

(9) That the rates charged by the Applicant for the supply of water to the Charlottetown Airport shall be at the rates established for outside customers, with a minimum charge for 6,000 cubic metres per month plus associated base charges to cover the cost of pumping facilities and operation and maintenance costs on equipment required for the airport expansion. The rates to be charged following the completion of the airport expansion shall be submitted to the Commission for final approval.

(10) That rate schedules be prepared in accordance with the application and variations as are set forth herein as described in the Reasons for Decision dated the 26th day of November 1980.

(11) That this Order shall become effective on the 1st day of January, A.D., 1981.

DATED at CHARLOTTETOWN this 30th day of DECEMBER, A.D., 1980.

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

Schedules of Rates were compiled in accordance with the said "Order of Revisions" to be effective 1 January 1981, and are as follows:

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS FOR WATER SUPPLY AND SEWERAGE SERVICES
UNMETERED RATES — CHARLOTTETOWN

AVAILABILITY: The following schedule of rates and charges shall apply to all customers of the Water and Sewerage Utility operated by the City of Charlottetown Commissioners of Sewers and Water Supply provided with unmetered services within the City of Charlottetown and the Hillsborough Development.

RESIDENTIAL FLAT RATES — Water and Sanitary Sewerage Service, per month:

	Water Only	Sewer Only	Water & Sewer
Each Customer	$5.50	$6.10	$11.60

FLAT RATES — Sanitary Sewerage Service Only for other than Residential Customers, per month:

Equivalent Meter Size for Water Service	Base Charge	Quantity Charge
5/8 inch	$ 3.95	1st Block 0-100 m^3 = 15¢ per m^3
3/4 inch	5.50	
1 inch	7.85	
1½ inch	13.20	2nd Block 101-2,000 m^3 = 13¢ per m^3
2 inch	19.45	
3 inch	31.80	
4 inch	62.80	3rd Block over 2,000 m^3 = 11.2¢ per m^3
6 inch	109.20	
8 inch	155.40	

SPECIAL FLAT RATES: At locations designated by the Utility:

25¢ per m^3 with the minumum charge being $1.00

— or —

The Utility may approve the use of special flat rates where it is considered expedient due to the inadvisability of installing a meter due to exposure, etc., such as residential construction, temporary water fountains and similar devices. This type of service will be provided only on an intermittent basis and is not to cover heavy consumption use.

RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS — Whenever the use of any fire hydrant is desired for supplying water for flushing sewers, drains or any other purposes, other than for fire protection, the Utility may grant a permit under such terms, conditions and rates as it may see fit, including arrangements regarding supervision of the opening and closing of the hydrant and the keeping of a record of the time such hydrant is used for the purpose of calculating the amount of water drawn from it.

EFFECTIVE:
1 January 1981

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER SUPPLY AND SEWERAGE SERVICES
UNMETERED RATES — OUTSIDE CHARLOTTETOWN

AVAILABILITY: The following schedule of rates and charges shall apply to all unmetered customers of the Water and Sewerage Utility operated by the City of Charlottetown Commissioners of Sewers and Water Supply served outside the Charlottetown-Hillsborough Development Area.

RESIDENTIAL FLAT RATES — Water and Sanitary Sewerage Service, per month:

	Water Only	Sewer Only	Water & Sewer
Each Customer	$6.05	$6.70	$12.75

FLAT RATES — Sanitary Sewerage Service Only for other than Residential Customers, per month:

Equivalent Meter Size for Water Service	Base Charge	Quantity Charge
5/8 inch	$ 4.35	1st Block 0-100 m³ = 16.7¢ per m³
3/4 inch	6.05	
1 inch	8.60	

1½ inch	14.55	2nd Block 101-2,000 m^3
2 inch	21.35	= 14.4¢ per m^3
3 inch	34.95	
4 inch	69.05	3rd Block over 2,000 m^3
6 inch	120.15	= 12.3¢ per m^3
8 inch	170.95	

SPECIAL FLAT RATES — The Utility may approve the use of special flat rates where it is considered expedient due to the inadvisability of installing a meter due to exposure, etc., such as residential construction, temporary water fountains and similar devices. This type of service will be provided only on an intermittent basis and is not to cover heavy consumption use.

RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS — Whenever the use of any fire hydrant is desired for supplying water for flushing sewers, drains or any other purpose other than for fire protection, the Utility may grant a permit under such terms, conditions and rates as it may see fit, including arrangements regarding supervision of the opening and closing of the hydrant and the keeping of a record of the time such hydrant is used for the purpose of calculating the amount of water drawn from it.

EFFECTIVE:
1 January 1981

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS FOR WATER SUPPLY AND SEWERAGE SERVICES

METERED RATES — CHARLOTTETOWN

AVAILABILITY: The following schedule of rates and charges shall apply to all metered customers of the Water and Sewerage Utility operated by the City of Charlottetown Commissioners of Sewers and Water Supply within the City of Charlottetown and the Hillsborough Development.

METERED RATES — Water and Sanitary Sewerage Service, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 7.50	1st Block 0-100 m³ =
3/4 inch	10.45	28.6¢ per m³
1 inch	14.90	
1½ inch	25.10	2nd Block 101-2,000 m³ =
2 inch	36.95	24.8¢ per m³
3 inch	60.45	
4 inch	119.35	3rd Block over 2,000 m³ =
6 inch	207.60	21.3¢ per m³
8 inch	295.40	

METERED RATES — Water Service Only, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 3.55	1st Block 0-100 m³ =
3/4 inch	4.95	13.6¢ per m³
1 inch	7.05	
1½ inch	11.90	2nd Block 101-2,000 m³ =
2 inch	17.50	11.8¢ per m³
3 inch	28.65	
4 inch	56.55	3rd Block over 2,000 m³ =
6 inch	98.40	10.1¢ per m³
8 inch	140.00	

MINIMUM BILL — The minimum bill shall be the base charge.

EFFECTIVE:
1 January 1981

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER SUPPLY AND SEWERAGE SERVICES
METERED RATES — OUTSIDE CHARLOTTETOWN

AVAILABILITY: The following schedule of rates and charges shall apply to all metered customers of the Water and Sewerage Utility operated by the City of Charlottetown Commissioners of Sewers and Water Supply served outside the Charlottetown-Hillsborough Development Area.

METERED RATES — Water and Sanitary Sewerage Service, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 8.25	1st Block 0-100 m^3 =
3/4 inch	11.50	31.7¢ per m^3
1 inch	16.35	
1½ inch	27.65	2nd Block 101-2,000 m^3 =
2 inch	40.60	27.4¢ per m^3
3 inch	66.45	
4 inch	131.25	3rd Block over 2,000 m^3 =
6 inch	228.40	23.4¢ per m^3
8 inch	324.95	

METERED RATES — Water Service Only, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 3.90	1st Block 0-100 m^3 =
3/4 inch	5.45	15.0¢ per m^3
1 inch	7.75	
1½ inch	13.10	2nd Block 101-2,000 m^3 =
2 inch	19.25	13.0¢ per m^3
3 inch	31.50	
4 inch	62.20	3rd Block over 2,000 m^3 =
6 inch	108.25	11.1¢ per m^3
8 inch	154.00	

MINIMUM BILL — The minimum bill shall be the base charge.

SPECIAL MINIMUM CHARGE — Charlottetown Airport Quantity of 6,000 m^3 per month plus associated base charges.

EFFECTIVE:
1 January 1981

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER SUPPLY AND SEWERAGE SERVICES

SANITARY SEWERAGE SURCHARGE

APPLICATION: In cases where any customer of the Utility discharges a sewerage effluent into the sewer system which is excessively strong or where the suspended solids or fat and grease components are excessively high, the Utility is authorized to determine by sample testing and such other means as may be available, the degree of excessive contamination and to require the customer to pay an additional surcharge in accordance with the concentration of the suspended solids (SS) and fat and grease (GR) proportions as set forth below:

SURCHARGE: The surcharge in ¢ per cubic metre =

$$\frac{SS(ppm) - 350}{350} \times 1.091 + \frac{GR(ppm) - 100}{100} \times 1.091$$

EFFECTIVE:
1 January 1981

CITY OF CHARLOTTETOWN
COMMISSIONERS OF SEWERS AND WATER SUPPLY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER SUPPLY AND SEWERAGE SERVICES

FIRE PROTECTION RATES

AVAILABILITY: The following schedule of rates shall apply for water system facilities provided for fire protection by the Water Utility operated by the City of Charlottetown Commissioners of Sewers and Water Supply.

FIRE PROTECTION RATES — CHARLOTTETOWN: Water system facilities provided for fire protection shall be paid by the City of Charlottetown to the Commissioners of Sewers and Water Supply and shall be calculated on the following basis:

The greater of $240,000

— or —

The sum of 17.4% of the previous year's operating water accounts, plus 38.4% of the previous year's water (gross) depreciation, plus 33.7% of a 9.0% return on the previous year's water rate base.

The annual charge assessed the City of Charlottetown for fire protection shall be diminished by the amount charged for fire protection services provided customers located outside of the City of Charlottetown. This amount shall be payable at the end of each year.

FIRE PROTECTION RATES — HILLSBOROUGH DEVELOPMENT: Rates for water system facilities provided by the Water Utility operated by the Commissioners of Sewers and Water Supply for fire protection within the area known as the Hillsborough Development shall be based on the per annum hydrant charge calculated for the City of Charlottetown and shall represent for the year:
1981 - 25% of the per hydrant Charlottetown charge
1982 - 50% of the per hydrant Charlottetown charge
1983 - 75% of the per hydrant Charlottetown charge
1984 (and thereafter) - 100% of the per hydrant Charlottetown charge.

FIRE PROTECTION RATES OUTSIDE CHARLOTTETOWN-HILLSBOROUGH DEVELOPMENT: Rates for water system facilities provided by the Water Utility operated by the Commissioners of Sewers and Water Supply for fire protection outside the Charlottetown-Hillsborough Development area shall be based on individual charges for the provision of hydrant capital, maintenance or the supply of water, or any combination thereof. For the purposes of this clause, the annual capital service charge shall be on the basis that the Utility will pay for each hydrant installation, including all fittings, a valve and pipe not to exceed 10.7 meters (35 feet), with the cost of any additional extensions to be borne by the customer. If the installation is made by the customer, then it shall be installed to the specifications of the Utility. A sprinkler system connection shall be considered the equivalent of one hydrant.

PAYMENT DATES — The charges made to outside customers for fire protection shall be payable to the Commissioners of Sewers and Water Supply by 30 June of each year.

NOTE: The calculations used in the establishment of the fire protection rates are to be submitted annually to the Public Utilities Commission for approval.

EFFECTIVE: 1 January 1981

Appeal by Village of Sherwood

On 18 December 1980, the Commission received a letter from Mr. John A. Carr of the firm of MacLeod & Carr advising that on the same date, Mr. Carr had filed Notice of Appeal respecting the Commission's Decision dated 26 November 1980 with regard to the application by the Commissioners of Sewers and Water Supply for the City of Charlottetown. This Appeal was filed on behalf of the Village Commissioners of Sherwood and others. A second letter dated 23 February 1981 was received by the Commission from Mr. Carr, which letter covered a document entitled "Notice of Abandonment of Appeal" respecting this same Decision.

B. SHERWOOD

Extension of Facilities

On 6 August 1980, the Commission approved an application made by CBCL Limited on behalf of the Village of Sherwood with regard to the installation of a hydrant, and a proposed 6" sprinkler service to Batt and MacRae's new building on Belvedere Avenue in accordance with Drawing 79811-12.

In August 1980, the Commission approved an application from the Village of Sherwood relative to the installation of water meters on all customers of its water utility.

On 18 March 1981, the Commission approved an application by CBCL Limited for the installation of a new trunk sewer and services along a portion of the western boundary of the Village of Sherwood to the existing 30' sanitary sewer located south of Schurman Drive in the Village of Parkdale, as well as the installation of a water main, sanitary sewer and services along Fulton Drive in the Village of Sherwood, in accordance with Plans 81806 (1-6) Rev. 01, at an estimated cost of $245,000.

Parkdale Sewerage Outfall Rate

On 16 April 1980, the Commission approved the following Schedule of Rates for the sewerage service provided by the Village of Sherwood in providing a sanitary sewerage outfall to the Town of Parkdale:

VILLAGE OF SHERWOOD
SANITARY SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
PARKDALE SEWERAGE OUTFALL RATE

AVAILABILITY: The following Schedule of Rates and Charges shall apply to the Sewerage Utility of the Town of Parkdale for the sewerage service provided by the Village of Sherwood in providing a sanitary sewerage outfall.

FLAT RATE: Sanitary Sewerage Annual Charge — $407.46

PAYMENT: Payment of this charge shall be on a quarterly basis payable in advance before the commencement of each and every quarterly period.

APPROVED:
16 April 1980

C. PARKDALE

Extension of Facilities

On 3 December 1980, an application filed by CBCL Limited on behalf of the Town of Parkdale and Atlantic Fish Specialists Ltd. was approved by the Commission for the installation of a sewage pumping station and water and sewer services to serve the proposed Atlantic Fish Specialties Ltd. plant on Walker's Lane, Parkdale, in accordance with Drawings 80822 (1 & 2).

Sherwood Sewerage Outfall Rate

On 16 April 1980, the Commission approved the following Schedule of Rates for the sewerage service provided by the Town of Parkdale in providing a sanitary sewerage outfall to the Village of Sherwood:

TOWN OF PARKDALE
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER SUPPLY AND SEWERAGE SERVICES
SHERWOOD SEWERAGE OUTFALL RATE

AVAILABILITY: The following Schedule of Rates and Charges shall apply to the Sewerage Utility of the Village of Sherwood for the sewerage provided by the Town of Parkdale in providing a sanitary sewerage outfall.

FLAT RATE: Sanitary Sewerage Annual Charge — $1,585.50

PAYMENT: Payment of this charge shall be on a quarterly basis payable in advance before the commencement of each and every quarterly period.

APPROVED:
16 April 1980

D. WEST ROYALTY

On 23 May 1980, the Village Administrator advised that the Village Services Act applies to the Village of West Royalty, effective 17 May 1980. As a result all Schedule of Rates, Charges and Regulations in effect for West Royalty were revised to reflect the new Village status.

Extension of Facilities

On 29 October 1980, the Commission approved an application filed by CBCL Limited on behalf of the Village of West Royalty for the installation of approximately 286' of 8" sanitary sewer and one manhole on the Lower Malpeque Road, as well as a 6" sewer lateral to the premises of Reel Roller Rinks Inc., in accordance with Drawing No. 80819-1 (Rev. 01), with costs to be paid by the developer.

E. BUNBURY/SOUTHPORT

On 6 August 1980, the Commission approved an application dated 29 July 1980 from Harland Associates Inc. on behalf of the Village of Bunbury and Southport with regard to Phase One of the Bunbury/Southport Sewer System, at a total estimated cost of $600,000.

F. SUMMERSIDE

Extension of Facilities

On 23 May 1980, the Commission approved an application from Fitzgerald & Snow Limited on behalf of the Town of

Summerside with regard to extensions of water and sewer mains on Walker Avenue in Sherbrooke, P.E.I., with total costs to be borne by the developer.

G. ST. ELEANORS

Rate Increases

An application dated 5 June 1980 by the Village of St. Eleanor's for an upward revision of water and sewerage rates was heard by the Commission on 18 June 1980. In order to accommodate the requested effective date of 1 July 1980, the Commission, by letter dated 20 June 1980, advised the Utility that interim approval had been granted for a 10% increase in its schedules of metered and unmetered rates, to be effective 1 July 1980. The Commission reached its final Decision in the matter on 6 August 1980, which Decision follows together with the revised Schedules of Metered and Unmetered Rates (all other Schedules being unaffected by this Decision):

CANADA
PROVINCE OF PRINCE EDWARD ISLAND
BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the Public Utilities Commission Act and/or the Water & Sewerage Act

and

IN THE MATTER of an application by the Village of St. Eleanors Water & Sewerage Utility for an upward revision of its schedules of rates and charges for water supply and sewerage services.

DECISION

This matter is before the Commission by way of an application dated 5 June 1980 submitted on behalf of the Village of St. Eleanors by Mr. T.E. Richardson, P. Eng., of the consulting firm of Richardson Associates Ltd., which application requests that the Commission give consideration to allowing a 10% increase in the schedules of rates and charges for water supply and sewerage services as provided by the Village of St. Eleanors Water and Sewerage Utility (hereinafter referred to as the Utility).

By letter to the Commission dated 9 June 1980, the Utility confirmed that it had retained the services of Richardson Associates Ltd. for the purposes of preparing and presenting the application herein.

As the Utility had requested that the proposed increase in its schedules of rates and charges be effective 1 July 1980, the Commission scheduled an ex parte hearing into the matter for 18 June 1980 in the Board Room of the Commission. In the absence of Mr. Richardson, Mr. Norman Johnstone, a Commissioner for the Village of St. Eleanors, appeared on behalf of the Utility and gave evidence in support of the application.

As it became apparent during the hearing that certain information contained in the application was in need of clarification, the Commission decided to adjourn the proceedings and thereafter determine the necessity of a public hearing. The Commission was given leave by Mr. Johnstone to solicit additional information from the Utility's Consultant and/or Auditor.

In view of the limited increase requested herein and the fact that the Utility had not struck a different approach in its rate calculations, but rather simply evaluated its revenue requirements and determined that an increase of 10% in its existing schedules of metered and unmetered rates was necessary to offset its immediate costs of operation, it was duly decided to forego proceeding to a public hearing. In consideration of the foregoing, and in order to accommodate the requested effective date of 1 July 1980, the Commission, by letter dated 20 June 1980, advised the Utility that interim approval had been granted for a 10% increase in its schedules of metered and unmetered rates, to be effective 1 July 1980.

The Commission subsequently obtained additional information from the Utility's Consultant, and has perused the contents of the Utility's audited financial statements for the year ending 31 December 1979.

The data set forth in the application includes details indicating the Utility's actual costs of operation for the years 1978 and 1979, and provides projected costs to the year 1982. The Commission notes that the cummulative deficit of the

Utility as at 1 January 1979 was $6,473. and although a surplus of $4,221. has been realized for the year ending 31 December 1979 (with a resulting reduction in the cummulative deficit), the Utility is faced during the current year with substantial additional costs associated with the recent expansion of its treatment lagoon.

The Commission has considered the Utility's forecast revenue requirements, and is satisfied that it has not overestimated its budget projections to the year 1982. We accordingly find that the increase requested is well warranted and indeed necessary to ensure the provision of adequate water and sewerage services to the residents of the Village of St. Eleanors.

Although the Commission agrees with the Utility's decision to proceed in this application with an increase based on revenue requirements only, as opposed to a comprehensive recalculation of its rate structure, it would appear that such a study should be conducted for the Utility's next presentation before the Commission. It is noted that the recent capital additions to the sewerage utility (lagoon) may necessitate a change in the Utility's water and sewer allocation factors used in the calculation of its fire protection rate.

The Commission therefore confirms its interim approval of 18 June 1980, and orders that the Schedules of Metered and Unmetered Rates appended to this Decision, and forming part thereof, be the proper Schedules of Metered and Unmetered Rates for use by the Village of St. Eleanors Water and Sewerage Utility for services provided on and after the 1st day of July 1980, and until otherwise ordered by this Commission. Other Utility rate schedules are unaffected by this Decision.

DATED at CHARLOTTETOWN this 6th day of AUGUST, A.D., 1980

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

VILLAGE OF ST. ELEANORS
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER AND SEWERAGE SUPPLY AND SERVICES

UNMETERED RATES

AVAILABILITY: The following schedule of rates and charges shall apply to all customers of the Village of St. Eleanors Water and Sewerage Utility provided with unmetered water service and shall include regular sanitary sewerage service.

RESIDENTIAL FLAT RATES — Water and Sanitary Sewerage Service, per month:

	Water Only	Sewer Only	Water & Sewer
Single-family dwelling	$4.68	$7.70	$12.38
Apartment or mobile home	3.74	6.16	9.90

FLAT RATES — Sanitary Sewerage Service Only for other than Residential customers, per month:

Equivalent Meter Size for Water Service	Base Charge	Quantity Charge
5/8 inch	$ 3.30	53¢ per 1,000
3/4 inch	4.95	gallons
1 inch	8.25	
1½ inch	16.50	— or —
2 inch	26.40	
3 inch	49.50	11.7¢ per cubic metre
4 inch	82.50	
6 inch	165.00	based on estimated
8 inch	264.00	sewerage flow

SPECIAL FLAT RATES — The Utility may approve the use of Special Flat Rates where it is considered expedient due to the inadvisability of installing a meter due to exposure, etc. This type of service will be provided on an intermittent basis and is not to cover heavy consumption use.

RATES FOR WATER SUPPLIED FROM FIRE HYDRANTS — Whenever the use of any fire hydrant is desired for supplying water for flushing sewers, drains, or any other purposes, excepting those of the Fire Department, the Utility may grant a permit under such terms, conditions and rates as it may see fit, including arrangements regarding supervision of the opening and closing of the hydrant and the keeping of a record of the time such hydrant is used for the purpose of calculating the amount of water drawn from it.

EFFECTIVE:
1 July 1980

VILLAGE OF ST ELEANORS
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
FOR WATER AND SEWERAGE SUPPLY AND SERVICES

METERED RATES

AVAILABILITY: The following schedule of rates and charges will apply to all customers of the Water and Sewerage Utility of the Village of St. Eleanors except those provided for under the "Unmetered Rates" and "Municipal Service Rates" schedules.

METERED RATES — Water and Sanitary Sewerage Service, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 6.38	1.06¢ per 1,000
3/4 inch	9.57	gallons
1 inch	15.95	
1½ inch	31.90	
2 inch	51.04	— or —
3 inch	95.70	
4 inch	159.50	
6 inch	319.00	23.3¢ per cubic metre
8 inch	510.40	

METERED RATES — Water Service Only, per month:

Meter Size	Base Charge	Quantity Charge
5/8 inch	$ 3.08	53¢ per 1,000
3/4 inch	4.62	gallons
1 inch	7.70	
1½ inch	15.40	
2 inch	24.64	— or —
3 inch	46.20	
4 inch	77.00	
6 inch	154.00	11.7¢ per cubic metre
8 inch	246.40	

MINIMUM BILL — The minimum bill shall be the base charge.

EFFECTIVE:
1 July 1980

H. WILMOT

Extension of Facilities

On 18 June 1980, the Commission approved a portion of an application submitted by Harland Associates Inc. on behalf of the Village of Wilmot. The portion of the application which was approved provided for sewer trunkline extensions on the Glover's Shore Road and a portion of the Trans Canada Highway No. 2, as well as the sewer force main along Wildon Avenue, as set forth on Plans 8012, 1-5 (Rev. 16 June 1980). The application with regard to the provision of sewer services along the MacEwen Road was deferred until 23 July 1980, at which time a final agreement between the Town of Summerside and the Village of Wilmot with regard to this application had been drawn up and ratified by the Commission.

I. KENSINGTON

Extension of Facilities

On 14 May 1980, the Commission approved an application dated 28 April 1980 from Harland Associates Inc. on behalf of the Town of Kensington with regard to Phase II of the Town of Kensington Central Water System, in accordance with Drawings 8014, 1-3, at an estimated cost of $95,000.

Water and Sewer Rates

On 12 September 1980, Harland Associates Inc. made application on behalf of the Town of Kensington to have established a water utility rate and also made application for an upward revision in sewer utility rates. A public hearing was convened with regard to this matter on 26 November 1980, and on 17 December 1980, the Commission brought down its Decision in this regard, which Decision and Rate Schedules follows:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the Public Utilities Commission Act and/or the Water and Sewerage Act

and

IN THE MATTER of an application by the Town of Kensington Sewerage Utility for an upward revision of its schedule of rates and charges for sanitary sewerage services, and the establishment of a schedule of rates for water services provided by the Town.

DECISION

After due public notice, a hearing convened on the 26th day of November, A.D., 1980 in the Board Room, 5th Floor, Suite 502, Confederation Court Office Building, 134 Kent Street, Charlottetown. This hearing had been set down pursuant to a letter dated 12 September 1980 from Thomas E. Harland, P.Eng. of Harland Associates Inc. on behalf of the Town of Kensington, which letter requested that the Commission set a date for the hearing of an application for an upward revision of its schedule of rates and charges for sanitary sewerage services and the establishment of a schedule of rates for water services provided by the Town.

Present at the hearing on behalf of the Town of Kensington were the following representatives:

Mayor Gerald A. McCarville
Mr. Thomas E. Harland, Engineering Consultant

The formal rate application, which was entered as Exhibit No. 2 in the proceedings, was prepared and presented by Mr. Thomas E. Harland, P.Eng., of Harland Associates Inc. Mr. Harland was authorized to prepare and present the application by way of a Motion made at a meeting of Town Council on 8 September 1980. This authorization was conveyed to Mr. Harland in a letter from the Town Clerk dated 10 September 1980, a copy of which formed Annex "A" of the formal application.

With regard to the application for an increase in rates for sanitary sewerage services, the evidence revealed that these rates were last amended in 1976, and at that time the single-family dwelling unit rate was fixed at $40.00 per annum. Although it is estimated that the sewer utility will be at a break-even point as of 31 December 1980, this is only as a result of long-term financing which has recently been obtained. This action was necessary in order to offset borrowing from General Revenue due to capital additions which were made to the system over the past few years. Total estimated annual costs for 1981 relative to the sewer system are in the vicinity of $26,500, which results in a required rate of $51.05 per single-family dwelling unit or equivalent. The evidence presented at the hearing resulted in a suggested rate of $48.14 per unit per annum, but due to an error in arriving at the total equivalent units, this figure was revised by Harland Associates Inc. in a letter dated 8 December 1980 addressed to the commission. After consideration, it was decided to approve the rate of $51.05 per single-family dwelling unit per annum.

With regard to the application for the establishment of a schedule of rates for water services provided by the Town of Kensington, it was pointed out in evidence that the existing system provides service to only about 40% of the Town. This system is just now becoming fully operational, so all costs relating to the operation thereof must be estimated. Harland Associates Inc. have estimated the total operating costs for 1981 to be $24,900, and since there is no metered service as of this date, it is proposed to base the water rates on the equivalent household units method used by municipalities throughout the Province relative to sewerage rates. This results in a proposed unit charge per annum of $89.76.

The calculations made by the Consultants do not reflect a budget surplus or an escalation factor for years subsequent to 1981 and therefore, adjustments will most likely be required after experience has been gained relative to the operation of the water system. It is the strong feeling of the Commission that water meters should be installed as soon as possible on all general service accounts in order that equitable rates may be struck in this regard. In the interim, the proportionate charge method proposed by the Consultants in striking water rates is hereby approved, with certain alterations.

IT IS THEREFORE ORDERED that the rates and charges set forth in Schedules "A" and "B" appended to this Decision shall become effective on the 1st day of January, A.D. 1981 and shall remain in effect until otherwise ordered.

These rates and charges are to be applied in accordance with the standard Extension Charges approved for use by the Water and Sewerage Utility of the Town of Kensington, and in accordance with the Regulations appended to this Order, also effective 1 January 1981.

IT IS FURTHER ORDERED that depreciation charges relative to the sewer and the water systems be applied in accordance with the rates set forth in the application.

DATED at CHARLOTTETOWN this 17th day of DECEMBER, A.D., 1980

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

TOWN OF KENSINGTON
SANITARY SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
"A"
SANITARY SEWERAGE SERVICE
RATES AND CHARGES

APPLICATION: The following schedule of rates and charges shall apply to all premises served by the sanitary sewerage utility of the Town of Kensington and to all properties located within the municipality capable of being served by the existing system of the said utility.

RATES: All charges for sanitary sewerage service are based on a Single-family dwelling unit charge of $51.05 per annum.

Relative unit costs for other services are based on the approved schedule of proportionate charges, which is combined with the schedule of rates entitled "Town of Kensington Proportionate Sewerage Charges" appended hereto.

EFFECTIVE:
1 January 1981

TOWN OF KENSINGTON
PROPORTIONATE SEWERAGE CHARGES

Type of Customer	Unit Value	Sewage Rate (Per Year)
Single-Family Dwelling	1.0	$ 51.05
Individual Apartment	0.8	40.84
Mobile Home	0.7	35.74
Senior Citizens Home, per unit	0.6	30.63
Rooming House, Boarding House, Convent, Institutional Dormitory		
For up to five persons	1.0	51.05
For each additional person	0.2	10.21
Motels and Tourist Cottages		
With housekeeping facilities, each unit	0.5	25.53
With bathroom facilities only, each unit	0.3	15.32
Tourist Home		
For first bathroom	1.0	51.05
For each additional bathroom or washroom	0.3	15.32
Hospital		
Without laundry facilities, per bed	0.5	25.53
With laundry facilities, per bed	0.75	38.29
Schools, per classroom	1.0	51.05
Stores, banks, clubs, churches, halls recreational facilities and places of business		
For first washroom facility	1.0	51.05
For each additional toilet or urinal	0.5	25.53
Doctors & Dentists Offices and Beauty & Barber Shops		
With separate service	1.0	51.05
Combined with other service	0.5	25.53
Laundromat with machines using over 30 gallons per wash		
For first machine	3.0	153.15
For second machine	2.0	102.10
For each additional machine	1.0	51.05
Laundromat with machines using 30 or under gallons per wash		
For first machine	2.0	102.10
For second machine	1.5	76.58
For each additional machine	0.75	38.29
Service Station		
Without carwash	1.0	51.05
With carwash	2.0	102.10
Restaurants and Snack Bars	1.0	51.05
For each ten seats an additional amount of	0.25	12.76

Premises licensed by the P.E.I. Liquor Control Commission, Restaurant, Lounge, Dining Room or Club	1.0	51.05
Seat Charge: Calculate 75% of Fire Marshall's Rating or actual seat count, then charge — For each five seats an additional amount of	0.25	12.76
Drive-In Restaurant or Theatre with canteen	1.0	51.05
For first washroom and toilet facility	1.0	51.05
For each additional washroom and toilet facility	0.5	25.53

EFFECTIVE:
1 January 1981

TOWN OF KENSINGTON
WATER UTILITY
SCHEDULE OF RATES AND REGULATIONS
"B"
SUPPLIED WITH UTILITY WATER SERVICES

FLAT RATES: The following flat rate charges shall apply to all customers residing in the Town of Kensington supplied with utility water services:

RATES: All charges for water shall be based on a Single-family dwelling unit charge of $89.76 per annum.

Relative unit costs for other services are based on the approved schedule of proportionate charges, which is combined with the schedule of rates entitled "Town of Kensington Proportionate Water Charges" appended hereto.

EFFECTIVE:
1 January 1981

TOWN OF KENSINGTON
PROPORTIONATE WATER CHARGES

Type of Customer	Unit Value	Water Rate (Per Year)
Single-Family Dwelling	1.0	$ 89.76
Individual Apartment, Mobile Home Senior Citizens Home, per unit	0.8	71.81
Rooming House, Boarding House, Convent, Institutional Dormitory		
For up to five persons	1.0	89.76
For each addition person	0.2	17.95
Motels and Tourist Cottages		
With housekeeping facilities, each unit	0.5	44.88
With bathroom facilities only, each unit	0.3	26.93
Tourist Home		
For first bathroom	1.0	89.76
For each additional bathroom or washroom	0.3	26.93
Hospital		
Without laundry facilities, per bed	0.5	44.88
With laundry facilities, per bed	0.75	67.32
Schools, per classroom	1.0	89.76
Stores, banks, clubs, churches, halls, recreation facilities and places of business		
For first washroom facility	1.0	89.76
For each additional toilet or urinal	0.5	44.88
Doctors & Dentists Offices and Beauty & Barber Shops		
With separate service	1.0	89.76
Combined with other service	0.5	44.88
Laundromat with machines using over 30 gallons per wash		
For first machine	3.0	269.28
For second machine	2.0	179.52
For each additional machine	1.0	89.76
Laundromat with machines using 30 or under gallons per wash		
For first machine	2.0	179.52
For second machine	1.5	134.64
For each additional machine	0.75	67.32
Service Station		
Without carwash	1.0	89.76
With carwash	2.0	179.52

Restaurants and Snack Bars	1.0	89.76
For each ten seats an additional amount of	0.25	22.44
Premises licensed by the P.E.I. Liquor Control Commission Restaurant, Lounge, Dining Room or Club	1.0	89.76
Seat Charge: Calculate 75% of Fire Marshall's Rating or actual seat count, then charge — For each five seats an additional amount of	0.25	22.44
Drive-In Restaurant or Theatre with canteen	1.0	89.76
For first washroom and toilet facility	1.0	89.76
For each additional washroom and toilet facility	0.5	44.88

Effective:
1 January 1981

TOWN OF KENSINGTON
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS FOR WATER SUPPLY AND SEWERAGE SERVICES

REGULATIONS

Page No.

TABLE OF CONTENTS .... i.

INTERPRETATION CLAUSE .... iii.

PART I — GENERAL REGULATIONS

1.1 Disputes 1
1.2 Application for Service 1
1.3 Plumbing Permit 1
1.4 Plumbing to be Satisfactory 1
1.5 Refusal of Service 1
1.6 Condemned Premises 1
1.7 Season for Laying Pipe 1
1.8 Access to Customer's Premises 2
1.9 Water Meter Readers 2
1.10 Water Meter Testing 2
1.11 Damage to Water Meters 2
1.12 Prohibited Appliances 2
1.13 Interference with Utility Property 2
1.14 Improper Use or Waste of Water 3
1.15 Repair of Leaks 3
1.16 Cooling Water 3
1.17 Suspending Service for Violation 3
1.18 Suspension of Service 3
1.19 Liability of the Utility 3
1.20 Duplicate Municipal Servicing 3

PART II — BILLING REGULATIONS

2.1 Payment of Bills 4
2.2 Delayed Payment Penalty 4
2.3 Deposits 4
2.4 Suspension of Service for Non-Payment of Bills 4
2.5 Curb Stop Charges 4
2.6 Pro-Rata Rates 5
2.7 Owner of Premises Billed 5
2.8 Rates During Vacancy 5
2.9 Number of Billings 5
2.10 Multiple or Joint Use Premises 5
2.11 Water to be Supplied by Meter 5

2.12 Estimated Readings for Billing Purposes 5
2.13 Adjustment of Bills — Metered Customers 5
2.14 Deposits on Custom Work 5
2.15 Municipal Departments 6
2.16 Fire Protection Service Charge 6
2.17 Payments re Adjoining Municipalities 6

PART III — SERVICE REGULATIONS

3.1 Installation of Shut-off 7
3.2 Individual Service 7
3.3 Service Pipes 7
3.4 Cost of Service Pipes 7
3.5 Cost of Oversize Service Pipes 7
3.6 No Water Service without Sewerage Service 7
3.7 Relocation of Service 7
3.8 Orderly Extension of Services 7
3.9 Service Outside Municipal Limits 7
3.10 Unauthorized Extensions, Additions or Connections .. 8
3.11 Cross Connections Prohibited 8
3.12 Contaminated Interconnection 8
3.13 Repairs to Service Lines 8
3.14 Meter Size 8
3.15 Meter Ownership 8
3.16 Installation and Removal of Water Meters 8
3.17 Location of Water Meters 9
3.18 Meter Protection 9
3.19 Exterior Reading Meters 9
3.20 Multiple Service Connections 9
3.21 Private Fire Protection 9
3.22 Water for Construction 9
3.23 Sewer Line Check Value 10
3.24 Prohbited Sewerage 10

TOWN OF KENSINGTON
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS FOR WATER SUPPLY AND SEWERAGE SERVICES

INTERPRETATION CLAUSE

In these Regulations, unless the context otherwise requires, the expression:

"MUNICIPALITY" means the "Town of Kensington".

"UTILITY" as defined in the Water and Sewerage Act of the Province of Prince Edward Island means that Water and Sewerage "Public Utility" of the above-noted municipality.

"CUSTOMER" means a person, firm or corporation who or which is supplied with water and/or sanitary sewerage services at a specific location or locations.

"DOMESTIC SERVICE" means the type of water and/or sanitary sewerage service supplied to the owner or his authorized agent or to the occupant or tenant of any space or area occupied for the distinct purpose of a single-family house, each unit of a multiple dwelling, individual apartment, flat, and the like, furnished with separate kitchen facilities provided with running water.

"GENERAL SERVICE" means any type of water and/or sanitary sewerage service other than domestic service, fire protection service, and municipal services.

TOWN OF KENSINGTON
WATER AND SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS FOR WATER SUPPLY AND SEWERAGE SERVICES

GENERAL REGULATIONS

1.1 **DISPUTES** If any dispute shall arise between the Utility and a customer, either party may refer the matter to the Public Utilities Commission for decision, and the Commission, on any such reference may, notwithstanding anything contained in these Regulations, make such order as it may deem just.

1.2 **APPLICATION FOR SERVICE** The Utility may, before rendering water and/or sewerage service, require a regular application form signed by the prospective customer.

1.3 **PLUMBING PERMIT** In the case of an owner of an existing building or premises applying for water and/or sewerage services, no water and/or sewerage lines will be installed until the Utility has been provided with a Certificate of Approval issued by the Plumbing Inspector.

1.4 **PLUMBING TO BE SATISFACTORY** All plumbing, pipes and fittings, vents, fixtures, and other devices for conveying, distributing, controlling or utilizing water and/or sewerage which are used by a customer and are not the property of the Utility shall be installed according to the requirements of the "Public Health Act" and "A Code for Plumbing Service" thereunder. The water shall not be turned on (except for construction or testing purposes) until the applicant for service has satisfied these requirements. The supply of water may be discontinued to any customer at any time, if in the opinion of the Utility the plumbing, pipes, fittings, vents, fixtures and other devices as hereinbefore mentioned, or any of them, fail to comply with the above requirements, or if any part of the water and/or sewerage system of such customer is in any unsuitable, dirty, unsanitary or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility.

1.5 **REFUSAL OF SERVICE** Water and/or sewerage service may be refused or suspended to any customer who has failed to discharge all of his liabilities to the Utility.

1.6 **CONDEMNED PREMISES** Water and/or sewerage services shall be discontinued to any property condemned by proper legal authority.

1.7 **SEASON FOR LAYING PIPE** The Utility shall not be required to lay any pipe at any season of the year which, in the opinion of the Utility, is not suitable for such construction.

1.8 **ACCESS TO CUSTOMER'S PREMISES** Representatives of the Utility shall have right of access to a customer's property or premises at all reasonable hours for the purpose of inspecting any water and/or sewerage pipes or fittings, or appliances, or for the purpose of installing, removing, repairing, reading or inspecting water meters. The Utility shall have the right to suspend water and/or sewerage service to any customer who refuses such access.

1.9 **WATER METER READERS** Each Water Meter Reader shall be provided with an official badge which he shall exhibit on request.

1.10 **WATER METER TESTING** On the request of a customer to have his water meter tested, the Utility may charge the sum of $5.00 to defray in part the cost of making the test. If the test shows that the water meter is over-registering by more than four per cent (4%), the sum so deposited shall be refunded to the customer and the bill for service rendered to such customer shall be adjusted accordingly for a period not exceeding six months.

1.11 **DAMAGE TO WATER METERS** Each customer shall be liable for any damage to the water meter installed on his premises resulting from negligence, hot water or steam, the action of frost, or from any other cause not the fault of the Utility or their employees. The cost to the Utility shall be borne by the customer.

1.12 **PROHIBITED APPLIANCES** Service may be refused or suspended by the Utility to any customer who installs or uses any device or appurtenance, as for example: booster pumps, quick-opening or quick-closing valves, water-operated pumps or siphons, stand-pipes, or large outlets which may occasion sudden large demands of short or long duration, thereby requiring oversize meters and pipe lines, or affect the stability or regulation of water pressure in the Utility's system. A permit to install or use any such device or appurtenance must be obtained from the Utility, which permit shall specify what special arrangements, such as elevated storage tanks, surge tanks or equalizing tanks, etc., must be provided by the customer.

1.13 **INTERFERENCE WITH UTILITY PROPERTY** No person, unless authorized by the Utility in writing, shall draw water from, open, close, cut, break or in any way injure or interfere with any fire hydrant, water or sewer pipe or main or other property of the Utility, or obstruct the free access to any hydrant, stock cock, meter, building, etc., provided however that nothing in this paragraph contained shall be deemed to prevent an officer or member of the Fire Department engaged in the work of such Department, from using any hydrant or other source of water supply of the Utility's for such purpose.

1.14 **IMPROPER USE OR WASTE OF WATER** No customer shall permit the improper use or waste of water nor shall he sell or give water to any person except upon such conditions and for such purposes as may be approved in writing by the Utility.

1.15 **REPAIR OF LEAKS** Leaks due to worn tap washers, toilets valves, or other causes shall be promptly repaired. If after being notified, a customer refuses or unduly delays in having the repairs or alterations made, the Utility may suspend the supply of water to such service, if in their opinion, such action is necessary to prevent the improper use or wastage of water.

1.16 **COOLING WATER** Water shall not be used for cooling purposes by any customer of the Utility except where the system or equipment to be supplied is of the recirculating conservation type with make-up water only being added. In case of refrigeration equipment (including air conditioning systems) no system having a water consumption rate in excess of 0.10 Imperial gallons per minute per ton of capacity shall be provided with cooling water. This regulation shall apply to all new installations and to any existing systems if and when they are to be enlarged, renewed or replaced.

1.17 **SUSPENDING SERVICE FOR VIOLATION** Whenever in the opinion of the Utility, violation of any of these Regulations is existing or has occurred, the Utility may cause the water and/or sewerage service to be suspended from the premises where such violation is existing and may keep the same so suspended until satisfied that the cause for such action has been removed.

1.18 **SUSPENSION OF SERVICE** In every case calling for a suspension of service, due notice must be served on the customer concerned not less than forty-eight (48) hours in advance of shut-off.

1.19 **LIABILITY OF THE UTILITY** The Utility shall not be deemed to guarantee an uninterrupted supply or a sufficient or uniform pressure and shall not be liable for any damage to property or injury to persons caused or done by reason of the interruption of supply, variation of pressure or on account of the turning off or turning on of the water for any purpose, drawing a vacuum on the system by fire pumpers, intermittent flow of the sewerage system or flooding of basements as a result of stoppages in the sewerage system.

1.20 **DUPLICATE MUNICIPAL SERVICING** In the case of adjacent municipalities, there is to be no duplication of water or sewerage services. Streets which form the borderline between such municipalities will be serviced by only one water utility and one sewerage utility. In every case where service is to be provided by another municipality, approval must be obtained in writing from the municipality in which the customer is located and further approved by the Public Utilities Commission before construction is commenced.

BILLING REGULATIONS

2.1 **PAYMENT OF BILLS** Bills for all classes of service shall be rendered to each customer at intervals of one, two or three months at the option of the Utility. Unmetered customers shall be billed in advance. All bills shall be payable within thirty days after the date rendered, which date shall be clearly shown on the bill.

2.2 **DELAYED PAYMENT PENALTY** All bills shall be computed according to the rates set forth in these Schedules of Rates and Regulations, and if any bill be not paid within thirty (30) days after the date which it is postmarked or such date as may be clearly shown upon the bill, whichever is the later, a penalty equal to two per cent (2%) per month of the amount of such bill shall be payable thereon.

2.3 **DEPOSITS** Each applicant for service may be required to deposit with the Utility a sum of money equal to the estimated charges for four months' service. This deposit is to be held by the Utility as collateral security for the payment of its bills. When this deposit is held, at the option of the Utility, for a period in excess of one year, simple interest at a rate based on the nearest one half per cent (½%) of the banks' prime lending rate as of the first banking day of each year shall be credited to the account when refunded. The deposit, less any amount owed the Utility, shall be returned to the customer after service has been discontinued and upon the surrender of the deposit receipt.

2.4 **SUSPENSION OF SERVICE FOR NON-PAYMENT OF BILLS** The Utility shall have the right to suspend water and/or sewerage service to unmetered customers whose bills remain unpaid for more than sixty (60) days and metered customers whose bills remain unpaid for more than thirty (30) days, provided that forty-eight (48) hours written notice is given in advance of suspension.

2.5 **CURB STOP CHARGES** In all cases where water and/or sewerage service has been discontinued by means of the curb stop for non-payment of bills or on account of violation of any section of these Regulations, no charge shall be made for shut-off and service shall not be restored until all arrears, together with a $10.00 charge, have been paid. If "turn off" and "turn on" is carried out during normal working hours at a customer's request, a $10.00 charge will be made, and if not paid, may be included in any subsequent bill for service. If "turn off" or "turn on " of service is requested to be carried out after normal working hours, the charge for such callout shall be based on normal charge-out rates for time and equipment involved, but not to exceed a three hour charge-out for any one call.

2.6 **PRO-RATA RATES** In the case of a customer not receiving service for a full billing period, the flat rate or base charge shall be computed on a pro-rata basis for the period involved.

2.7 **OWNER OF PREMISES BILLED** At the option of the Utility, all water and sewerage service may be billed to the owner of any premises.

2.8 **RATES DURING VACANCY** In case of premises being vacant, the owner shall be billed for the period until the new tenant becomes responsible for the service.

2.9 **NUMBER OF BILLINGS** No customer shall pay more than twelve (12) minimum charges for one calendar year.

2.10 **MULTIPLE OR JOINT USE PREMISES** Billing of multiple or joint use premises may be carried out either by billing each individual customer according to the applicable rate schedule or by metering the total premises, at the option of the Utility.

2.11 **WATER TO BE SUPPLIED BY METER** Except when water is used for construction purposes from a hydrant, under the supervision of the Utility, and except as otherwise provided in these Rates and Regulations all services other than those for Domestic Service and those used exclusively for Fire Protection shall be metered.

2.12 **ESTIMATED READINGS FOR BILLING PURPOSES** If the Utility is unable to obtain a water meter reading for billing purposes, after exercising due diligence in the usual practice of water meter reading, the bill for that service shall be estimated in accordance with the best data available; subject however, to provision that in no circumstances will an estimated reading be used for more than two consecutive billing periods. If an estimated bill is rendered for two consecutive billing periods the Utility shall notify the customer by registered mail that arrangements must be made for the Utility to obtain a reading, and failing such arrangements, the Utility may suspend service until such arrangements are made. When such water meter reading has been obtained, the previous estimated bill or bills shall be adjusted accordingly.

2.13 **ADJUSTMENT OF BILLS — METERED CUSTOMERS** If the seal of a water meter is broken or if a water meter does not register correctly, the bill for the service shall be estimated in accordance with the best data available.

2.14 **DEPOSITS ON CUSTOM WORK** Whenever a person, firm or corporation requests the Utility to do water or sewer work for which such person, firm or corporation is required to pay and the Utility agrees to do the work, the Utility may require, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of the said work. When the actual cost is determined, an adjustment in payment shall be made. Water and/or sewerage service shall not be established or continued by the Utility until all charges are paid.

2.15 **MUNICIPAL DEPARTMENTS** Water and sewerage facilities used by the municipality for any purpose shall be paid for by the municipality to the Utility at the rates and charges established herein and under these regulations.

2.16 **FIRE PROTECTION SERVICE CHARGE** The Utility shall annually render to the municipality not later than the last day of June an account for fire protection service. Such account shall be calculated in the manner set out in the schedule of rates.

2.17 **PAYMENTS RE ADJOINING MUNICIPALITIES** Customers located in one municipality and receiving water and/or sewerage services from another municipality, shall pay charges in accordance with the rates prescribed for the municipality in which they are located. The utility in the municipality in which such customer is located shall be billed and be responsible for the payment of charges to the adjoining utility for such services as may be provided by the utility.

SERVICE REGULATIONS

3.1 **INSTALLATION OF SHUT-OFF** Every water service to a premises shall have a shut-off valve in an accessible position at the point of entry to the premises.

3.2 **INDIVIDUAL SERVICE** Except with the special written approval of the Utility, each separate residential building or premises shall have a separate water service with a curb stop and a separate sewerage connection directly to the sewerage main.

3.3 **SERVICE PIPES** Upon receipt of an application for water and/or sewerage service to any premises located on any portion of a street within the service area of the Utility which is served by a main water pipe and/or a main sewer pipe, and which premises are not already provided with water and/or sewerage service, the Utility shall install a water service pipe and/or a sewerage connection which it considers to be of a suitable size and capacity. No water pipe smaller than ¾ inch in diameter shall be laid for any water service and no pipe less than 4 inches in diameter shall be laid for any sewerage connection.

3.4 **COST OF SERVICE PIPES** The cost of supplying and laying a ¾ inch water service pipe and fittings and/or a 4-inch sewerage connection pipe between the main pipe and the street line of the property to be served shall be paid by the Utility. From the street line to the premises, the cost shall be paid by the customer.

3.5 **COST OF OVERSIZE SERVICE PIPES** For water services larger than ¾ inch and sewerage connections larger than 4 inches, the whole cost shall be borne by the customer, less the cost of a ¾-inch service from the main to the street line in the case of water service, and less the cost of a 4-inch pipe connection from the main to the street line in the case of a sewerage connection.

3.6 **NO WATER SERVICE WITHOUT SEWERAGE SERVICE** Water service shall not be extended to a premises unless sanitary sewer facilities are also installed or are presently available from that premises.

3.7 **RELOCATION OF SERVICE** After a water service and/or sewerage service has been installed by the Utility, no relocation of or alteration to the portion of the services installed shall be made except at the expense of the customer or other persons requesting such removal or alteration.

3.8 **ORDERLY EXTENSION OF SERVICE** The Utility shall provide water and/or sewerage to new street extensions or development areas on an orderly and following basis only.

3.9 **SERVICE OUTSIDE MUNICIPAL LIMITS** Provided Utility water and/or sewerage service is available, customers outside municipal limits may be supplied with water and/or sewerage service. The complete cost of the water and/or sewerage pipes from the mains shall be at the customer's expense.

3.10 **UNAUTHORIZED EXTENSIONS, ADDITIONS OR CORRECTIONS** No person shall, without the written consent of the Utility, make or cause to be made any connection to any pipe or main or any part of the water or sewerage systems of the Utility or in any way obtain or use water therefrom in any manner other than is set out in these Regulations.

3.11 **CROSS CONNECTIONS PROHIBITED** Connections of any customer's installation served by the Utility to any other source of water supply is prohibited, except with the written permission of the Utility with the terms and conditions of interconnection clearly defined. Failure to comply with this regulation shall entitle the Utility to suspend the service.

3.12 **CONTAMINATED INTERCONNECTION** No connection shall be permitted to any installation, equipment or source in such a manner as may allow any contamination to pass from such installation, equipment or source into the Utility's water supply system. If any such connection exists the Utility may discontinue the supply of water to such customer.

3.13 **REPAIRS TO SERVICE LINES** If a leak, stoppage or other trouble occurs on a water or sewerage service line, it shall be repaired as soon as possible.

A. The following work will be carried out by the Utility at its expense:

1. Repairs necessitated by a leak or other trouble which may occur between the water and/or sewerage mains and the street line.
2. Repairs necessitated by a leak or other trouble occurring between the street line and the customer's premises which has been caused by the installation having insufficient grade or as a result of poor workmanship.

B. The following work will be carried out by the Utility at the expense of the customer:

1. Any repairs required between the street line and the customer's premises attributable to normal wear and tear.
2. The correction of any stoppage attributable to improper use of the facilities.

3.14 **METER SIZE** The Utility shall determine the size and type of meter to be installed in each case.

3.15 **METER OWNERSHIP** All billing for metered water shall be through meters owned by the Utility.

3.16 **INSTALLATION AND REMOVAL OF WATER METERS** Water meters shall be installed and removed only by employees of the Utility, and no other person shall install, alter, change or remove a meter without the written permission of the Utility. The connections for such water meters shall be installed to the required standard of and without expense to the Utility.

3.17 **LOCATION OF WATER METERS** The Utility may refuse service to, or suspend the service of, any customer who does not provide a place which in the opinion of the Utility is suitable for a water meter. It should be in a building served at or near the point of entry of the service pipe, in a place where it can be easily read and where it will not be exposed to freezing temperatures.

3.18 **METER PROTECTION** Where the premises of a customer are of such a nature that a water meter cannot be properly installed in a building or if the building is not sufficiently frostproof as to assure the safety of a water meter, the Utility may order the construction of a suitable frostproof box in which the water meter can be installed. Service to such premises may be refused or suspended until such a frostproof box approved by the Utility is installed.

3.19 **EXTERIOR READING METERS** If a remote or exterior reading meter installation is made at the option of the Utility, the total cost shall be borne by the Utility. If such an installation is made at the option of the customer, all costs in excess of regular metering shall be borne by the customer.

3.20 **MULTIPLE SERVICE CONNECTIONS** In the event of two or more water or sewer services being required to the same property (such as sprinkler systems), the full cost of the additional services to the system mains, and including the cost of repair and replacement of any portion of streets or sidewalks of the municipality damaged in providing such additional service, shall be paid by the customer. The decision as to the necessity of the additional service or services shall be made by the Utility.

3.21 **PRIVATE FIRE PROTECTION** Fire protection lines within buildings shall be so installed that all pipes will be accessible for inspection, and no connection for any purpose other than fire protection shall be made thereto. No fire protection line shall be connected in such a way as to be served through a customer's metered service without the written permission of the Utility.

3.22 **WATER FOR CONSTRUCTION** The Utility may furnish water to persons requiring a supply thereof for the construction of buildings or other works. Such persons shall deposit with the Utility such sum as may be determined by the Utility as sufficient to defray the cost of making the necessary connection to the water service mains and/or sewer mains, together with the cost of any meter to be installed to measure the water consumed. Upon completion of the work and the return of the meter to the Utility, an adjustment will be made after deducting the cost, if any, of repairing the meter and of testing the same, and after determining the base and connection charges and the consumption rates in respect to such installation.

3.23 **SEWER LINE CHECK VALVE** In the case of buildings so located that any plumbing fixture in the building is below street level or so as to be affected by a back flow on the sewer line, such premises must be provided with a suitable check valve.

3.24 **PROHIBITED SEWERAGE** No person shall discharge or permit or cause to be discharged directly or indirectly into any sanitary or combined sewer any of the following:

(i) Storm water, surface water, ground water, roof run-off, surface drainage or the like.

(ii) Matter having a temperature of more than 150°F.

(iii) Gasoline, benzene, naptha, fuel oil, motor oil, grease, acetone, solvents or other inflammable or explosive matter.

(iv) Ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, cellulose, paunch manure, garbage (excluding properly shredded garbage) or other solids of a type or quantity capable of causing obstruction to the flow in sewers or other interference with the proper operation of pumping facilities or sewage treatment equipment.

(v) Matter having a pH lower than 5.5 or higher than 9.5 or where the pH becomes lower than 5.5 or higher than 9.5 if the matter is diluted by any liquid.

(vi) Matter that may cause the death of or injury to any person or capable of causing damage or hazard to structures, equipment and personnel of the sewage works.

(vii) Hydrogen sulphide, carbon bisulphide, ammonia, trichloroethylene, sulphur dioxide, formaldehyde, chlorine, bromine, pyridine or any other material that has or may cause an offensive odour or is capable of creating a public nuisance.

(viii) Any matter in which the BOD exceed three hundred (300) parts per million.

(ix) Animal wastes such as hair, wool or fur, feathers, intestines or stomach casings, paunch manure, or intestinal contents, hides or parts thereof, hooves, toenails, horns, bones and fleshings.

(x) Matter containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewerage treatment process or constitutes a hazard to humans or animals. Included in this category are waters or wastes containing metals or chemicals such as cyanide, hexavalent chromium, phenols, copper whose concentrations are more than

Chromium as Cr (hexavalent)	3 ppm
Cyanide as HCN	2 ppm
Phenol equivalents (primary treatment)	50 ppb
Phenol equivalents (secondary treatment)	100 ppb
Copper as Cu	1 ppm

EFFECTIVE: 1 January 1981

J. ABRAM'S VILLAGE

On 14 May 1980, the Commission approved an application of Harland Associates Inc. on behalf of the Incorporated Village of Abram's Village with regard to Phase I of the proposed municipal sewerage collection and treatment system, in accordance with Drawings 8013, 1-8, at an estimated cost of $300,000.

Establishment of Rates

By letter of 14 October 1980, Mr. Thomas E. Harland requested the Commission to fix a date for hearing an application by the Incorporated Village of Abram's Village for the establishment of sewer rates. This application was heard on 26 November 1980, and on 17 December 1980, was approved in accordance with the Decision which follows:

CANADA

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the Public Utilities Commission Act and/or the Water and Sewerage Act

— and —

IN THE MATTER of an application by the Incorporated Village of Abram's Village for the establishment of a schedule of rates for sewerage services provided by the Village.

DECISION

On 14 October 1980, Harland Associates Inc. advised the Commission by letter that the Incorporated Village of Abram's Village was presently completing Phase I of its municipal sewer system, which was designed to service approximately 85% of the Village, with the remaining areas to be serviced during Phase II, planned for construction in 1981. The Consultants advised that the Village was desirous of having rates established in this regard effective 1 January 1980, which information was confirmed in a letter dated 3 October 1980 to Harland Associates Inc. from Mr. Desmond Arsenault, Village Clerk.

Accordingly, and pursuant to Section 16 of the Water and Sewerage Act, R.S.P.E.I. 1974, Cap. W-2, this matter came on for hearing on the 26th day of November, 1980 at the hour of 4 p.m. in the Board Room, Fifth Floor of the Confederation Court Office Tower, Charlottetown.

Present at this hearing on behalf of the Incorporated Village of Abram's Village were the following representatives:

Mr. Thomas E. Harland, Engineering Consultant
Mr. Alphonse Arsenault, Chairman, Village Commissioners
Mr. Peter Arsenault, Commissioner
Mr. Desmond Arsenault, Village Clerk-Treasurer

Mr. Harland presented the application on behalf of the Village, and gave evidence to the effect that the household unit rate required to support this system is $130.00 per annum.

The evidence revealed that approximately 80% of the household units within the Village are now being serviced, with the remaining areas of the Village to be served in 1981, subject to the continuation of the Community Services Contribution Program. The complete system has been estimated to cost in the vicinity of $460,000. Mr. Harland gave evidence with regard to the annual operating costs, which exclude depreciation and debt retirement, and then went on to deal with these other two factors. Mr. Harland's summary of the estimated total annual costs are as follows:

Operating Costs	$4,500.00
Depreciation (1%)	2,940.00
Loan repayment	4,700.00
	$12,140.00

As this is a new system, and therefore no actual figures are available relative to operating costs, etc., rate adjustments may be required after experience has been gained relative to the operating of the sewer system.

However, the Commission is in agreement that the proposed estimates appear reasonable, and the application is hereby approved.

IT IS THEREFORE ORDERED that the rates and charges set forth in the Schedule of Rates and Extension Charges appended to this Decision shall become effective the 1st day of January, A.D., 1981, which rates and charges are to be applied in accordance with the appended Regulations, which are also declared effective the 1st day of January, A.D. 1981 until otherwise ordered by this Commission.

DATED at CHARLOTTETOWN this 17th day of DECEMBER, A.D., 1980

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

THE INCORPORATED VILLAGE OF ABRAM'S VILLAGE
SANITARY SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
SANITARY SEWERAGE SERVICE
RATES AND CHARGES

APPLICATION: The following schedule of rates and charges shall apply to all premises served by the sanitary sewerage utility of the Incorporated Village of Abram's Village and to all properties located within the municipality capable of being served by the existing system of the said utility.

RATES: All charges for sanitary sewerage service are based on a Single-family dwelling unit charge of $130.00 per annum.

Relative unit costs for other services are based on the approved schedule of proportionate charges, which is combined with the schedule of rates entitled "Incorporated Village of Abram's Village Proportionate Sewerage Charges" appended hereto.

EFFECTIVE:
1 January 1981

THE INCORPORATED VILLAGE OF ABRAM'S VILLAGE
PROPORTIONATE SEWERAGE CHARGES

Type of Customer	Unit Value	Sewage Rate (Per Year)
Single-Family Dwelling	1.0	$130.00
Individual Apartment	0.8	104.00
Mobile Home	0.7	91.00
Senior Citizens Home, per unit	0.6	78.00
Rooming House, Boarding House, Convent, Institutional Dormitory		
For up to five persons	1.0	130.00
For each additional person	0.2	26.00
Motels and Tourist Cottages		
With housekeeping facilities, each unit	0.5	65.00
With bathroom facilities only, each unit	0.3	39.00

Tourist Home		
For first bathroom	1.0	130.00
For each additional bathroom or washroom	0.3	39.00
Hospital		
Without laundry facilities, per bed	0.5	65.00
With laundry facilities, per bed	0.75	97.50
Schools, per classroom	1.0	130.00
Stores, banks, clubs, halls, recreational facilities and places of business		
For first washroom facility	1.0	130.00
For each additional toilet or urinal	0.5	65.00
Doctors & Dentists Offices and Beauty & Barber Shops		
With separate service	1.0	130.00
Combined with other service	0.5	65.00
Laundromat with machines using over 30 gallons per wash		
For first machine	3.0	390.00
For second machine	2.0	260.00
For each additional machine	1.0	130.00
Laundromat with machines using 30 or under gallons per wash		
For first machine	2.0	260.00
For second machine	1.5	195.00
For each additional machine	0.75	97.50
Service Station		
Without carwash	1.0	130.00
With carwash	2.0	260.00
Restaurant and Snack Bars	1.0	130.00
For each ten seats an additional amount of	0.25	32.50
Premises licensed by the P.E.I. Liquor Control Commission Restaurant, Lounge, Dining Room or Club	1.0	130.00
Seat Charge: Calculate 75% of Fire Marshall's Rating or actual seat count, then charge —		
For each five seats an additional amount of	0.25	32.50
Drive-In Restaurant or Theatre with canteen	1.0	130.00
For first washroom and toilet facility	1.0	130.00
For each additional washroom and toilet facility	0.5	65.00

EFFECTIVE:
1 January 1981

THE INCORPORATED VILLAGE OF ABRAM'S VILLAGE WATER AND/OR SEWERAGE UTILITY SCHEDULE OF RATES AND REGULATIONS FOR WATER AND SEWERAGE SUPPLY AND SERVICE

EXTENSION CHARGES

APPLICATION: These charges shall apply to all applicants for service in cases where water and/or sewer mains have to be extended to serve a development area, a new subdivision or a customer not previously served, and shall apply only to extensions within the muncipal boundaries. These charges shall not apply to laterals from mains to property lines.

EXTENSION CHARGES: The extension charges shall be as follows:

SERVICE	CHARGE
Water	90% of total cost with fire protection and sprinkler system components having first been subtracted.
Sewer	90% of total cost.

CONDITIONS: The following conditions shall apply to the application of these charges:

1. The Utility shall have jurisdiction over all sewer and water service extensions including those on a customer's premises up to and including the first clean out point immediately inside the premises in the case of sewer services and up to the "cellar stop" (including meters, where applicable) in the case of water services.

2. Where the Utility does not carry out its own construction, any contract work will be done for and on behalf of and with the approval in writing of the Utility.

3. On application for extensions, the applicant shall pay a deposit to the Utility in accordance with the Regulations covering the Utility.

4. Where the proposed work is estimated to cost in excess of $1,000, a signed agreement shall be entered into between the Utility and the applicant. When the proposed work will cost less than this amount, the Utility may require a signed agreement between itself and the applicant.

5. Property owners on each side of a street will be equally responsible for the cost of new construction of water and/or sewerage lines in proportion to the frontage of the lot concerned.
6. In the case of a project where the work is to be carried out on behalf of the Utility by an independent contractor, the applicant is to be party to any decision relative to accepting any quotation by the Utility or alternately, the Utility may allow the applicant to have plans and specifications prepared, and after being approved by the Utility, an acceptable contractor will be authorized by the Utility to proceed with construction under its inspection and supervision.
7. In lieu of other satisfactory arrangements, in a situation where mains would have to be extended past lots not requiring service at the time of the extension, but capable of being served, the Utility may place a lien against the property and that part of the construction would not have to be paid for until the property has been sold or five years has elapsed since the completion of the extension covered by the lien.
8. Where extensions are required over private property to serve other than owners of that property, this will be a matter for separate negotiation and agreement between the Utility, the customer and property owner.
9. An extension charge will not be made more than once in the case of a sewer line or of a water line on any frontage. No charge will be made where service has been provided in the past.
10. In the case of a corner lot, if service is placed on more than one side, the owner will pay for the longest side only.
11. Where extensions of individual services are being provided, the customer will be billed only for the size of mains required to give adequate service to the premises concerned. The Utility will be responsible for additional costs incurred.

EFFECTIVE:
1 January 1981

THE INCORPORATED VILLAGE OF ABRAM'S VILLAGE
SANITARY SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS

REGULATIONS

1. In these Regulations, unless the context otherwise requires, the expession:

"MUNICIPALITY" means the "Incorporated Village of Abram's Village.

"UTILITY" means the Sanitary Sewerage "Public Utility" of the above-noted municipality as defined in the Water and Sewerage Act of the Province of Prince Edward Island.

"CUSTOMER" means a person, firm or corporation who or which contracts to be supplied with sanitary sewerage service at a specific location or locations.

"SEWERAGE SERVICE" means sanitary sewerage service.

2. **DISPUTES** If any dispute shall arise between the Utility and any party, either may refer the matter to the Public Utilities Commission for decision, and the Commission, on any such reference may, notwithstanding anything contained in these regulations, make such order as it may deem just.

3. **APPLICATION FOR SERVICE** The Utility may, before rendering sanitary sewerage service, require a regular application form signed by the prospective customer.

4. **PAYMENT OF BILLS** Bills for sewerage service shall be rendered to each customer monthly, quarterly, semi-annually or annually at the option of the Utility. All bills shall be payable within thirty days after the date rendered, which date shall be clearly shown upon the bill.

5. **DELAYED PAYMENT PENALTY** All bills shall be computed according to the rates set forth in these Schedules of Rates and Regulations, and if any bill be not paid within thirty (30) days after the date on which it is rendered (as indicated by the postmark) or such date as may be clearly shown upon the bill, whichever is the later, a penalty equal to five per cent (5%) of the amount of such bill shall be payable thereon, but in no case shall the amount of any penalty be less

than twenty-five cents ($0.25). Any customer desiring to question his bill must do so within the prescribed period in order to avoid paying the penalty.

6. **DEPOSITS** Each applicant for service may be required to deposit with the Utility a sum of money equal to the estimated charges for four months' service. This deposit is to be held by the Utility as collateral security for the payment of its bills. When this deposit is held, at the option of the Utility, for a period in excess of one year, simple interest at a rate based on the nearest one half per cent (½%) of the banks' prime lending rate as of the first banking day of each year shall be credited to the account when refunded. The deposit, less any amount owed the Utility, shall be returned to the customer after service has been discontinued and upon the surrender of the deposit receipt.

7. **DISCONNECTION OF SERVICE FOR NON-PAYMENT OF BILLS** The Utility shall have the right to disconnect the sanitary sewerage connection or connections to their system of customers whose bills remain unpaid for more than sixty days after the date rendered, provided that forty-eight (48) hours notice is given in advance of shut-off.

8. **SUSPENSION OF SERVICE** In every case calling for a suspension of service, due notice must be served on the customer concerned not less than forty-eight (48) hours in advance of shut-off.

9. **RESUMPTION OF SERVICE** In all cases where a sewerage service connection or connections has or have been discontinued for non-payment of bills, service shall not be restored until all such arrears, together with the cost of disconnecting and reconnecting the service pipe or pipes, have been paid.

10. **OWNER OF PROPERTY BILLED** At the option of the Utility, all sewerage service may be billed to the owner of any property.

11. **PRO-RATA RATES** In case of a customer not receiving service for a full billing period, the bill shall be computed on a pro-rata basis for the period involved.

12. **INDIVIDUAL DOMESTIC OR HOUSING ESTABLISHMENT** In case of a dispute, an individual domestic or housing establishment will be deemed to exist where separate kitchen facilities with running water are provided.

13. **RATES DURING VACANCY** In case of premises being vacant, the owner shall be billed for the period until the new tenant becomes responsible for the service.

14. **CONDEMNED PREMISES** Sewerage services shall be discontinued or refused to any property condemned by proper legal authority.

15. **SERVICE PIPES** Upon receipt of an application for sewerage service to any premises located on any portion of a street through which portion a main sewer pipe is laid, and which premises are not already provided with sewerage service the Utility shall install a sewerage connection which it considers to be of suitable size and capacity. No pipe less than 4 inches in diameter shall be laid for any sewerage connection.

16. **COST OF SERVICE PIPES** The cost of supplying and laying a 4-inch sewerage connection pipe between the main pipe in the street and the street line shall be paid by the Utility. From the street line to the premises, the cost shall be paid by the customer.

17. **COST OF OVERSIZE SERVICE PIPES** For sewerage connections larger than 4 inches, the whole cost shall be borne by the customer, less the estimated cost of a 4-inch pipe connection from the main to the street line.

18. **MULTIPLE SERVICE CONNECTIONS** Should any person make application for more than one sewerage connection to his premises, the decision as to the necessity of the additional service pipe or pipes shall be made by the Utility, and if the additional service pipe or pipes are installed, the total cost thereof from the main to the customer's premises, and including the cost of repair and replacement of any portion of streets or sidewalks of the municipality damaged in providing such additional services, shall be paid by the customer. All service must be installed to the satisfaction of the Utility.

19. **RELOCATION OF SERVICE** After a sewerage connection has been installed by the Utility, no subsequent removal of or alteration to the portion or portions of the pipe or pipes shall be made except at the expense of the customer or other person requesting such removal or alteration.

20. **INDIVIDUAL SERVICE** Except with the special written approval of the Utility, each separate residential building or premises not including multiple apartment buildings, shall have a separate sewerage connection directly to the sewerage main.

21. **PLUMBING PERMIT** In the case of an owner or authorized agent of an existing building or premises applying for sewerage service, no sewerage line will be installed until the Utility has been provided with a Certificate of Approval issued by the Plumbing Inspector.

22. **UNAUTHORIZED EXTENSIONS, ADDITIONS OR CONNECTIONS** No person shall, without the written consent of the Utility, make or cause to be made any connection to any pipe or main or any part of the sewerage system in any manner other than as set out in these Regulations.

23. **SEWER LINE CHECK VALVE** In the case of buildings so located that any plumbing fixture in the building is below street level or so as to be affected by a back-flow on the sewer line, such premises must be provided with a suitable check valve.

24. **SEASON FOR LAYING PIPE** The Utility shall not be required to lay any pipe at any season of the year which, in the opinion of the Utility, is not suitable for such construction.

25. **PLUMBING TO BE SATISFACTORY** All plumbing, pipes and fittings, vents, fixtures and other devices for conveying, distributing, controlling or utilizing water and/or sewage which are used by a customer and are not the property of the Utility, shall be installed according to the requirements of the "Public Health Act" and "A Code for Plumbing Service" thereunder. Service may be refused or discontinued to any customer at any time after proper notice, if, in the opinion of the Utility, the plumbing, pipes, fittings, vents, fixtures, and other devices as hereinbefore mentioned, or any of them, fail to comply with the above requirements, or if any part of the sewerage system of such customer is in any unsuitable, dirty, unsanitary or inaccessible place. Service shall not be re-established until such condition is corrected to the satisfaction of the Utility.

26. **REPAIRS TO SERVICE PIPES** If a leak, stoppage, or other trouble occurs in a sewerage connection, it shall be repaired as soon as possible. Costs for such repairs shall be borne by the customer if the trouble is a stoppage, except when the trouble is caused by tree roots, in which case the total cost will be borne by the Utility. If a leak occurs, the customer shall pay the costs of any repair made between the property line and his premises, and the Utility shall bear the costs of repairs made between the property line and the sewer main.

27. **ORDERLY EXTENSION OF SERVICES** The Utility shall provide sewerage facilites to new street extensions or development areas on an orderly and following basis only, If any customer is desirous of obtaining service when not available on this basis, such service may be provided by the customer paying the full cost of construction thereof.

28. **SERVICE OUTSIDE MUNICIPAL LIMITS** Provided Utility sewerage service is available, customers outside municipal limits may be supplied with sewerage service. The complete cost of the sewerage pipes from the mains shall be at the customer's expense.

29. **DEPOSITS ON CUSTOM WORK** Whenever a person, firm or corporation requests the Utility to do sewer work for which such person, firm or corporation is required to pay, and the Utility agrees to do the work, the Utility may require, before the work is started, a sum of money equal to the Utility's estimate of the probable cost of the said work. When the actual cost is determined, an adjustment in payment shall be made.

30. **INTERFERENCE WITH UTILITY'S PROPERTY** No person, unless authorized by the Utility in writing, shall break or in any way damage or interfere with any sewer pipe or main or anything the property of the Utility.

31. **ACCESS TO CUSTOMER'S PREMISES** Representatives of the Utility shall have right of access to all parts of a customer's property or premises at all reasonable hours for the purpose of inspecting any water and/or sewerage pipes or fittings, or appliances. The Utility shall have the right to suspend sewerage service to any customer who refuses such access.

32. **SUSPENDING SERVICE FOR VIOLATION** Whenever in the opinion of the Utility violation of any of these Regulations is existing or has occurred, the Utility may cause the sewerage service to be disconnected from the Utility's system where such violation has occurred or is existing and may keep the same so disconnected until satisfied that the cause for such action has been removed.

33. **LIABILITY OF THE UTILITY** Except in case of negligence, the Utility shall not be liable for any damage to property or injury to persons caused or done by reason of the intermittent flow of the sewerage system or flooding of basements as a result of stoppages in the sewerage system.

34. **DUPLICATE MUNICIPAL SERVICING** In the case of adjacent municipalities, there is to be no duplication of sewerage service. Streets which form the borderline between such municipalities will be serviced by only one sewerage utility. In every case where service is provided by another municipality, approval must be obtained in writing from the municipality in which the customer is located and further approved by the Public Utilities Commission before commencing construction.

35. **PAYMENTS RE ADJOINING MUNICIPALITIES** Customers located in one municipality and receiving sewerage from another municipality, shall pay charges in accordance with the rates prescribed for the municipality in which they are located. The utility in the municipality in which such customer is located shall be billed and be responsible for the payment of charges to the adjoining utility for such services as may be provided by that utility.

36. **MUNICIPAL DEPARTMENTS** Sewerage facilities used by the municipality for any purpose shall be paid for by the municipality to the Utility at the rates and charges established hereunder and under these Regulations.

37. **PROHIBITED SEWERAGE** No person shall discharge or permit or cause to be discharged directly of indirectly into any sanitary sewer any of the following:

(i) Storm water, surface water, ground water, roof run-off, surface drainage or the like.

(ii) Matter having a temperature of more than 150°F.

(iii) Gasoline, benzene, naptha, fuel oil, motor oil, grease, acetone, solvents or other inflammable or explosive matter.

(iv) Ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, cellulose, paunch manure, garbage (excluding properly shredded garbage) or other solids of a type or quantity capable of causing obstruction to the flow in sewers or other interference with the proper operation of pumping facilities or sewage treatment equipment.

(v) Matter having a pH lower than 5.5 or higher than 9.5 or where the pH becomes lower than 5.5 or higher than 9.5 if the matter is diluted by any liquid.

(vi) Matter that may cause the death of or injury to any person or capable of causing damage or hazard to structures, equipment and personnel of the sewage works.

(vii) Hydrogen sulphide, carbon bisulphide, ammonia, trichloroethylene, sulphur dioxide, formaldehyde, chlorine, bromine, pyridine or any other matter that has or may cause an offensive odour or is capable of creating a public nuisance.

(viii) Any matter in which the BOD exceeds three hundred (300) parts per million.

(ix) Animal wastes such as hair, wool or fur, feathers, intestines or stomach casings, paunch manure, or intestinal contents, hides or parts thereof, hooves, toenails, horns, bones and fleshings.

(x) Matter containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process or constitutes a hazard to humans or animals. Included in this category are waters or wastes containing metals or chemicals such as cyanide, hexavalent chromium, phenols, copper whose concentrations are more than

Chromium as Cr (hexavalent)	3 ppm
Cyanide as HCN	2 ppm
Phenol equivalents (primary treatment)	50 ppb
Phenol equivalents (secondary treatment)	100 ppb
Copper as Cu	1 ppm

K. TYNE VALLEY

On 10 June 1980, the Commission approved an application by Harland Associates Inc. to construct a "mini" sewer system in the Village of Tyne Valley in accordance with Plans 8011, 1-4.

L. CORNWALL

Upward Revision in Rates

On 26 November 1980, the Commission heard an application by Harland Associates Inc. on behalf of the Village of Cornwall for an upward revision in sewer rates. This application was approved on 30 December 1980 in accordance with the Decision which follows:

CANADA
PROVINCE OF PRINCE EDWARD ISLAND
BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER of the Public Utilities Commission Act and/or the Water and Sewerage Act

— and —

IN THE MATTER of an application by the Village of Cornwall Sewerage Utility for an upward revision of its schedules of rates and charges for sanitary sewerage services.

DECISION

After due public notice, a hearing convened on the 26th day of November, A.D., 1980 in the Board Room, 5th Floor, Suite 502, Confederation Court Office Building, Charlottetown relative to an application by the Village of Cornwall for an upward revision of the schedules of rates and charges for sanitary sewerage services supplied by the Village. This hearing has been set down pursuant to a letter dated 12 September 1980 from Thomas E. Harland, P.Eng., of Harland Associates Inc., which covered a copy of a letter dated 8 September 1980 to Harland Associates Inc. from the Village of Cornwall authorizing Harland Associates Inc. to prepare and present an application on behalf of the Village in this regard.

Present at the hearing on behalf of the Village of Cornwall were the following representatives:

Mr. Thomas E. Harland, Consultant, Harland [illegible]sociates Inc.
Mr. Gordon Herman, Chairman, Village Commissioners
Mr. David Miles, Commissioner
Mr. Richard Montigny, Village Clerk
Mr. Colin Younker, Auditor, Coopers & Lybrand

The following interveners were present at this hearing:

Mr. George Lowther, Lowther Plumbing & Heating Ltd.
Mr. Donald Simmonds

Mr. Lowther's Counsel with regard to the intervention of Lowther Plumbing & Heating Ltd. was Ms. Linda St. Jean. Mr. Joseph Coady of the Federation of Prince Edward Island Municipalities and members of the press were present as observers.

Mr. Thomas E. Harland presented the application, which was entered as Exhibit No. 2 in the proceedings, with supporting evidence being given by Mr. Herman and Mr. Younker. The evidence revealed that the Sewerage Utility operated by the Village of Cornwall commenced operations in 1969, with the annual rates later being fixed at $77.00, plus a frontage charge of 20¢ per lineal foot. There were approximately 150 units being serviced in the beginning, with the figure now having increased to 637 units. The original capital cost of the system was approximately $150,000; to date, the capital cost is in the vicinity of $800,000. There has been no increase in rates over the years since the Utility commenced operations; however, a review of current revenue and expenditures would appear to indicate that there will be an operating loss for 1980 of approximately $20,000. This, together with the cumulative deficit estimated for 31 December 1980 of $365 indicates a total deficit of $20,365, which for the purposes of the application was rounded to $20,500. It was proposed by Mr. Harland in the application that rather than arrange for long-term borrowing to finance the deficit, that it be borrowed from general revenue at zero interest and repaid over five years at $4,100 per year. The Commission is in agreement with this proposal, providing it meets with the approval of the Village.

Mr. Harland estimated the annual operating costs of the Utility for the year 1981 to be as follows:

Wages & Salaries....	$10,000
Maintenance........	14,500
Power..............	7,500
Miscellaneous.......	2,000
	$34,000

Setting aside $8,600 for depreciation and $46,300 for loan repayment gives an estimated total annual cost for 1981 of $88,900. It is therefore evident that if rates are not increased, the Utility would experience a deficit of $36,100. The Consultant has proposed a unit rate per annum of $130.00, and has suggested that the foot frontage charge be increased by the same order of magnitude from 20¢ to 35¢ per lineal foot. The calculations made by the Consultants do not reflect a budget surplus for years subsequent to 1981, and the suggestion has been made that rate revisions will be requested as required after experience has been gained, and based on the Auditor's annual reports.

Following the presentation of the application, the Lowther intervention was heard, which was based on the fact that it was not felt reasonable by Mr. Lowther that he should pay frontage charges on properties yet unsold when he, as a developer, has paid 90% towards the cost of construction of extensions into development areas owned by him, It is, however, the opinion of the Commission that it is necessary to charge frontage charges on all developed land serviced by the Utility in order to assure the orderly and proper development of new lots. It was suggested by Mr. Simmonds in his intervention that to some extent, the original customers are subsidizing the extensive development which has taken place in the Village, and it was his opinion that the lots in a development should be taken up before further development is carried out.

After taking into consideration the evidence before it, the Commission is of the opinion that it is necessary to approve an increase in rates, and

IT IS THEREFORE ORDERED that the Schedule of Rates and Charges appended to this Decision become effective on the 1st day of JANUARY, A.D., 1981, which rates and charges are to be applied in accordance with the standard Regulations and Extension Charges approved for use by the Sewerage Utility of the Village of Cornwall.

AND IT IS FURTHER ORDERED that a depreciation rate of 1.1% be charged on the total accumulated capital cost of the sewerage system.

W.R. Brennan
CHAIRMAN

G.J. Ferguson
SECRETARY

T.E. Hickey
COMMISSIONER

VILLAGE OF CORNWALL
SANITARY SEWERAGE UTILITY
SCHEDULE OF RATES AND REGULATIONS
SANITARY SEWERAGE SERVICE
RATES AND CHARGES

APPLICATION: The following schedule of rates and charges shall apply to all premises served by the sanitary sewerage utility of the Village of Cornwall and to all properties located within the municipality capable of being served by the existing system of the said Utility.

RATES: All charges for sanitary sewerage service are based on a Single-family dwelling unit charge of $130.00 per annum.

Relative unit costs for other services are based on the approved schedule of proportionate charges, which is combined with the schedule of rates entitled "Village of Cornwall Proportionate Sewerage Charges" appended hereto.

FOOT FRONTAGE CHARGE: Pursuant to the Provision of Section 48(5) of the Village Services Act (1974), a foot frontage charge is hereby approved under Section 10(2) (d) of the Water and Sewerage Act, as follows:

Thirty-five cents (35¢) per lineal foot per annum.

This charge shall apply to all land adjacent to streets, roads, or highways on which there are no buildings or structures or where sanitary disposal service is not required but which land is capable of being served by the existing facilities of the Sewerage Utility. In the case of premises billed under the Proportionate Sewerage Charges, and exemption of 10 feet frontage for each one-tenth of a unit will be allowed. In the case of corner lots with sewerage facilities on both sides, the foot frontage charge will be applied to the full frontage on the longest side, and the full frontage less 100 feet on the other side (less allowable exemption, if any).

EFFECTIVE:
1 January 1981

VILLAGE OF CORNWALL
PROPORTIONATE SEWERAGE CHARGES

Type of Customer	Unit Value	Sewage Rate (Per Year)
Single-Family Dwelling	1.0	$130.00
Individual Apartment	0.8	104.00
Mobile Home	0.7	91.00
Senior Citizens Home, per unit	0.6	78.00
Rooming House, Boarding House, Convent, Institutional Dormitory		
For up to five persons	1.0	130.00
For each additional person	0.2	26.00
Motels and Tourist Cottages		
With housekeeping facilities, each unit	0.5	65.00
With bathroom facilities only, each unit	0.3	39.00
Tourist Home		
For first bathroom	1.0	130.00
For each additional bathroom or washroom	0.3	39.00
Hospital		
Without laundry facilities, per bed	0.5	65.00
With laundry facilities, per bed	0.75	97.50
Schools, per classroom	1.0	130.00
Stores, banks, clubs, churches, halls, recreational facilities and places of business		
For first washroom facility	1.0	130.00
For each additional toilet or urinal	0.5	65.00
Doctors & Dentists Offices and Beauty & Barber Shops		
With separate service	1.0	130.00
Combined with other service	0.5	65.00
Laundromat with machines using over 30 gallons per wash		
For first machine	3.0	390.00
For second machine	2.0	260.00
For each additional machine	1.0	130.00
Laundromat with machines using 30 or under gallons per wash		
For first machine	2.0	260.00
For second machine	1.5	195.00
For each additional machine	0.75	97.50
Service Station		
Without carwash	1.0	130.00
With carwash	2.0	260.00

Restaurants and Snack Bars	1.0	130.00
For each ten seats an additional amount of	0.25	32.50
Premises licensed by the P.E.I. Liquor Control Commission, Restaurant Lounge, Dining Room or Club	1.0	130.00
Seat Charge: Calculate 75% of Fire Marshall's Rating or actual seat count, then charge —		
For each five seats an additional amount of	0.25	32.50
Drive-In Restaurant or Theatre with canteen	1.0	130.00
For first washroom and toilet facility	1.0	130.00
For each additional washroom and toilet facility	0.5	65.00

EFFECTIVE:
1 January 1981

M. WELLINGTON

On 5 November 1980, the Commission approved an application by Harland Associates Inc. on behalf of the Village of Wellington with regard to the Wellington Land Assembly, Phase I, in accordance with specifications dated October, 1980 which accompanied the application. These specifications covered the installation of approximately 1,135 feet of sanitary sewer (plus manholes, etc.) at an estimated cost of $20,000, with the total cost of the project to be funded under the Development Plan Program.

N. SOURIS

On 12 November 1980, the Commission approved an application by CBCL Limited on behalf of the Town of Souris for the installation of 1,365' of 8" ductile iron pipe, associated valves, fittings and one fire hydrant to the premises of the proposed Eastern Kings Forestry Products plant at Souris, P.E.I., in accordance with Drawings 80818, 1-3.

O. SEAWOOD ESTATES INCORPORATED

On 17 December 1980, the Commission approved an application by Seawood Estates Inc. for an amendment to Section 9 of its Regulations under which its water and sewerage utility operates. The requested amendment approved an increase from $3.00 to $10.00 for reconnection of service. Section 9 of the Regulations, effective 1 January 1981, is as follows:

9. **RESUMPTION OF SERVICE** In all cases where water and/or sewerage service has been suspended for nonpayment of bills or on account of violation of any section of these regulations, service shall not be restored until all arrears, together with a $10.00 reconnection charge, have been paid. If disconnection is made at the request of of a customer a $10.00 reconnection charge will be made, and if not paid, may be included in any subsequent bill for service.

P. ALL MUNICIPALITIES

1980 A.W.W.A. Conference — Halifax

Donald G. Sutherland, Technician, attended the 1980 Conference of the Atlantic Canada Section of the American Water Works Association in Halifax, Nova Scotia from 14 to 17 September, 1980.

VII

CONCLUSION

The foregoing report summarizes the work of the Commission during the year under review and also reflects the major activities of the various public utilities and other subject to the jurisdiction of the Commission.

We would like to express publicly our appreciation to those over whom the Commission exercises its jurisdiction for the support given it in its many endeavours over the past fiscal year.

DATED at CHARLOTTETOWN this 1st day of APRIL, A.D., 1981.

George J. Ferguson
SECRETARY

SCHEDULE OF PUBLIC UTILITIES AND OTHERS REPORTING TO THE COMMISSION DURING THE YEAR COVERED BY THIS REPORT

PUBLIC UTILITIES

Island Telephone Company Limited
Maritime Electric Company, Limited
Town of Summerside Electric Department

BUS OPERATORS

Island Transit
Island Motor Transport Limited
Moncton Transit Limited
Abegweit Tours and Travel Agency Inc.
Charles J. Arsenault (New Life Bus Service)
Sterling A. Stead

WHOLESALE PETROLEUM PRODUCTS LIMITED

Gulf Canada Limited
Imperial Oil Limited
Irving Oil Limited
Texaco Canada Inc.
Petrofina Canada Inc.
Shell Canada Limited
Co-op Atlantic
Car-Pet Holdings Limited

SCHEDULE OF CARRIES INITIALLY LICENSED UNDER THE MOTOR CARRIER ACT AND/OR THE MOTOR VEHICLE TRANSPORT ACT (CANADA) DURING THE YEAR ENDING 31 MARCH 1981

Arsenault, Frank d/b/a Frank's Service Centre, Wellington, P.E.I.	Intra
Bayside Transport Ltd., St. Peters, P.E.I.	Intra & Extra
Bradshaw, C., Construction Ltd., Freeton, P.E.I.	Extra
Deagle, Wilfred, Souris West, P.E.I.	Intra
Illsley's Feed and Farm Supply Ltd., Summerside, P.E.I.	Intra & Extra
Jenkins Feed Service Limited, Hunter River, P.E.I.	Intra & Extra
McQuaid, Austin, Inc., Charlottetown, P.E.I.	Extra
Stead, Sterling A., Kensington, P.E.I.	Intra

Acme Transfer & Storage Limited, Dartmouth, N.S.	Extra
Bourgeois, P. C. & Sons Limited, Cheticamp, N.S.	Extra
Doucet, Vincent, Enterprises Limited, Salmon River, N.S.	Extra
Holmes, Mack Donald, R.R.#1, Stellarton N.S.	Extra
Moore, Claude Richardson, Pleasant Bay, N.S.	Extra
Nova Trucking Limited, Mooseland, N.S.	Extra
Taylor's Transfer Limited, Truro, N.S.	Extra

Alde The Mover Ltd., Moncton, N.B.	Extra
Lanctin Furniture Handlers Ltd., Moncton, N.B.	Extra
L. P. Lumber Sales Ltd., Buctouche R.R.#2, N.B.	Extra
Refrigerated Transport Ltd., Moncton, N.B.	Extra
Valley Sales & Service Ltd., Grand Falls, N.B.	Extra

Cauchon, Eloi, St. Ubald, Que.	Extra
83959 Canada Limited, Lachine, Que.	Extra
Emslie Bros. Limited, Beebe, Que.	Extra
International Packing & Moving Inc., St. Laurent, Que.	Extra
Nadeau, Gaston, Ste-Melaine, Que.	Extra

Rimouski, Les Demenagements Ltee, Rimouski, Que.	Extra
Valois, Leo & Fils Inc., Trois-Rivieres, Que.	Extra

Fraser, C.A., Limited, Hamilton, Ont.	Extra
Hook-up Ltd., Etobicoke, Ont.	Extra
Laidlaw Transport Limited, Hamilton, Ont.	Extra
37957 Ontario Limited O/A Legge Moving & Storage Ltd., Newmarket, Ontario	Extra

Speedway Moving (1974) Ltd., Saskatoon, Sask.	Extra
Congdon Distributors Ltd., Edmonton, Alta.	Extra
Bowes Moving & Storage (1976) Limited, Chilliwack, B.C.	Extra
M.S.A. Delivery & Moving Ltd., Abbotsford, B.C.	Extra
Victoria Van & Storage Company Limited, Victoria, B.C.	Extra

McCullers, P.W., Truck Brokers, Inc., Orlando, Florida, U.S.A.	Extra
St. Amant-Mover, R., Inc., Cambridge, Mass., U.S.A.	Extra
Sindall Transport Inc., New Holland, Pennsylvania, U.S.A.	Extra

WATER AND SEWERAGE UTILITIES

City of Charlottetown Commissioners of Sewers & Water Supply
Town of Summerside Water and Sewerage Department
Incorporated Village of Abram's Village Sewerage Utility
Town of Borden Sewerage Utility
Bunbury-Southport Pollution Control Commission Sewerage Utility
Village of Cornwall Sewerage Utility
Village of Crapaud Sewerage Utility
Provincial Government Water Utility — Georgetown
Town of Kensington Water and Sewerage Utility
Village of Kinkora Sewerage Utility
Village of Miscouche Sewerage Utility
Town of Montague Sewerage Utility
Village of Morell Sewerage Utility
Village of Mount Stewart Sewerage Utility
Village of North Rustico Sewerage Utility
Provincial Government Water Utility — North Rustico
Village of O'Leary Sewerage Utility
Town of Parkdale Water and Sewerage Utility
Village of St. Eleanors Water and Sewerage Utility
Village of Sherwood Sewerage Utility
Town of Souris Water and Sewerage Utility
Village of Tignish Sewerage Utility
Village of Tyne Valley Sewerage Utility
Village of Wellington Sewerage Utility
Community of West Royalty Sewerage Utility
Village of Wilmot Sewerage Utility
Lewis Point Water Utility
Seawood Estates Incorporated Water and Sewerage Utility